BEGIN — JUNE 2, 1959

30.24-7279

A31
AMS BUDGET (300)
NIGHT LEAD BIG FOUR
BY BRACK CURRY

GENEVA, JUNE 2 (AP)-ANDREI A. GROMYKO HURLED ANOTHER DEMAND TODAY THAT WEST BERLIN BE TURNED INTO A "FREE CITY." BUT HE OFFERED TWO ALTERNATIVES: TOKEN WESTERN TROOPS COULD STAY IN THE CITY PROVIDED SOVIET TROOPS JOINED THEM IN WEST BERLIN, OR THE WESTERN FORCES IN THE SOVIET-SURROUNDED CITY COULD BE REPLACED BY LIMITED NUMBERS OF NEUTRAL TROOPS.

THE RUSSIAN FOREIGN MINISTER CALLED HIS "MOVE SOVIET TROOPS INTO WEST BERLIN" PLAN A "COMPROMISE PROPOSAL" TO END THE EAST-WEST CLASH OVER THE DIVIDED CITY.

HE TOLD THE FOREIGN MINISTERS CONFERENCE THIS "SHOULD BE AGREEABLE TO ALL THE PARTIES CONCERNED IF THERE IS A GENUINE DESIRE FOR AGREEMENT."

BUT THE SOVIET DIPLOMAT IN A 28-MINUTE SPEECH MADE CRYSTAL CLEAR THAT THE KREMLIN IS NOT BUDGING AN INCH FROM ITS DEMAND THAT THE WEST GIVE UP WAR-WON OCCUPATION RIGHTS IN THE FORMER CAPITAL OF THE REICH.

TROOPS OF THE BIG FOUR POWERS OR OF NEUTRAL STATES "SHOULD IN NO CASE" BE CONSIDERED OCCUPIERS OF WEST BERLIN AND THEY COULD NOT "INTERFERE IN INTERNAL AFFAIRS" OF THE CITY. GROMYKO SAID.

GROMYKO SAID THE WESTERN POWERS CONSIDERED THE SOVIETS' "FREE CITY" PROPOSAL FOR WEST BERLIN AS A THREAT TO THEIR RIGHTS ARISING FROM THE SURRENDER OF NAZI GERMANY.

"BUT THIS INTERPRETATION IS NOT CORRECT," HE DECLARED. "WE DO NOT CONSIDER THAT THE TROOPS OF THE UNITED STATES, BRITAIN AND FRANCE TURNED OUT TO BE IN BERLIN IN SOME UNLAWFUL WAY.

"THE NECESSITY TO CHANGE THE PRESENT SITUATION IN WEST BERLIN IS DETERMINED NOT BY VALIDITY OR INVALIDITY OF THE ALLIED DOCUMENTS OF 1944-45 RELATING TO THE OCCUPATION OF BERLIN BUT BY THE FACT THAT THE OCCUPATION ITSELF HAS LONG BECOME OUTDATED, HAS ASSUMED AN ARTIFICIAL CHARACTER AND IS IN MANY WAYS POISONING THE RELATIONS."

A WEST GERMAN DELEGATION SPOKESMAN PROMPTLY LABELED THIS STATEMENT AS CLEAR RECOGNITION THAT ALLIED FORCES ARE IN WEST BERLIN WITH WELL-ESTABLISHED RIGHTS.

GROMYKO, IN A BITTER THREE-HOUR SESSION OF THE BIG FOUR MINISTERS IN THE PALACE OF NATIONS, WENT ON RECORD BEFORE THE CONFERENCE FOR THE FIRST TIME WITH ALTERNATIVES TO THE ORIGINAL SOVIET ULTIMATUM FOR THE WESTERN POWERS TO GET OUT OF WEST BERLIN.

WESTERN OFFICIALS ALREADY HAD HEARD HIM PRIVATELY ADVANCE HIS PROPOSAL TO STATION SOVIET FORCES ALONGSIDE WESTERN TROOPS IN THE CITY AND HAD DECLARED IT UNACCEPTABLE.

U.S. ASSISTANT SECRETARY OF STATE ANDREW BERDING SAID OF GROMYKO'S MOVE: "THE SITUATION WITH REGARD TO BERLIN WAS NOT APPRECIABLY ADVANCED BY THIS AFTERNOON'S SESSION."

IN A QUICK REBUTTAL TO GROMYKO, BRITISH FOREIGN SECRETARY SELWYN LLOYD BLUNTLY INFORMED THE RUSSIAN:

"WE HAVE THE RIGHT TO BE IN WEST BERLIN--THE RIGHT WHICH CAME FROM THE CAPITULATION OF THE GERMAN GOVERNMENT AT THE END OF THE WAR. THOSE RIGHTS CAN ONLY BE TERMINATED AFTER A PEACE TREATY WITH A UNITED GERMANY."

THE BRITISH DIPLOMAT SAID THE "PRACTICAL TASK" FACING THE BIG FOUR MINISTERS "IS TO TRY TO IMPROVE THE SITUATION (IN BERLIN) WITHIN THE FRAMEWORK WHICH NOW EXISTS AND IN A MANNER CONSISTENT WITH THE MAINTENANCE OF OUR RIGHTS."

LLOYD SAID: "IF IN DEALING WITH THAT WE CAN COME TO SOME AGREEMENT BETWEEN US, THEN WE MAY BE ABLE TO MAKE PROGRESS. . . AND SOME DEFINITE AGREEMENT HERE (ON BERLIN) MIGHT LEAD TO THE WIDER AGREEMENTS WHICH COULD MEAN SO MUCH FOR THE PEACE OF THE WORLD."

THE BRITISH FOREIGN SECRETARY'S DECLARATION IMPLIED THE UNITED STATES, BRITAIN AND FRANCE MIGHT CONSIDER AN ARRANGEMENT TO END THE BERLIN CRISIS BY PRESERVING THE PRESENT SITUATION IN WEST BERLIN WITH SOME CHANGES TO REMOVE SOVIET COMPLAINTS OF ANTI-COMMUNIST ACTIVITIES.

BUT THE BIG THREE ARE UNITED AGAINST GROMYKO'S PROPOSALS TO END THE PRESENT STATUS OF WEST BERLIN.

IN THE WEST'S VIEW, THE SOVIET PROPOSAL TO STATION RED ARMY TROOPS ALONGSIDE AMERICAN, BRITISH AND FRENCH SOLDIERS IN THE CITY WOULD MAKE THE PRESENCE OF THE ALLIES THERE DEPENDENT ON RUSSIAN AGREEMENT.

THE REPLACEMENT OF ALLIED BY NEUTRAL FORCES WOULD REMOVE THE MAIN DETERRENT TO DIRECT SOVIET ENVELOPMENT OF THE BELEAGUERED CITY--THE CERTAINTY THAT THE ALLIES WOULD RETALIATE WITH MASSIVE NUCLEAR POWER.

AMERICA'S CHRISTIAN A.HERTER, BRITAIN'S LLOYD AND THE TWO GERMAN DELEGATIONS RETURNED TO COLD WAR SLUGGING IN THIS 14TH PUBLIC SESSION OF THE CONFERENCE. FRANCE'S MAURICE COUVE DE MURVILLE DID NOT SPEAK.

FOREIGN MINISTER LOTHAR BOLZ OF COMMUNIST EAST GERMANY TOOK UP GROMYKO'S SLASHING INDICTMENT OF WEST BERLIN LAST SATURDAY AS THE ADVANCE BASE FOR THE WEST INSIDE THE SOVIET BLOC.

WEST BERLIN, BOLZ DECLARED, IS STUDDED WITH "DOZENS OF SECRET SERVICE AGENCIES AND ESPIONAGE CENTERS" THAT "CARRY OUT CRIMINAL ACTIVITIES" AGAINST THE SOVIET BLOC STATES.

EAST GERMAN CITIZENS ARE LURED TO WEST BERLIN AND FORCED TO CARRY OUT ESPIONAGE AND OTHER SUBVERSIVE ACTIVITES, HE SAID.

HERTER INTERPOSED TO LABEL AS "RATHER EXTRAORDINARY" A STATEMENT BY BOLZ THAT BERLIN IS A PART OF EAST GERMANY.

THE U.S. SECRETARY OF STATE ACIDLY SUGGESTED THAT GROMYKO HELP BOLZ "FAMLIARIZE HIMSELF WITH THE BASIC DOCUMENTS RELATIVE TO THE SURRENDER OF GERMANY BEFORE AGAIN PROPOSING TO INSTRUCT THE WESTERN POWERS REGARDING THEIR RIGHTS."

WEST GERMANY'S AMBASSADOR WILHELM GREWE FLAILED GROMYKO FOR TERMING WEST BERLIN A CENTER OF COLD WAR PROPAGANDA. GREWE SAID HE WOULD NOT "EXPOSE IN DETAIL THE MUD-SLINGING, SLANDEROUS AGITATION AND PROPAGANDA WHICH HAS BEEN POURED OUT UPON THE WORLD FROM EAST BERLIN" SINCE THIS CONFERENCE STARTED THREE WEEKS AGO.

GREWE TOLD GROMYKO THIS CONFERENCE "WILL HAVE ONLY SMALL PROSPECTS OF SUCCESS" AS LONG AS THE SOVIETS MAINTAIN THAT TWO EQUAL GERMAN STATES EXIST.

GROMYKO REPLIED: "EVEN IF WE SHOULD SIT HERE AND PRONOUNCE 100,000 ORATIONS ON THIS SUBJECT, THIS WOULD NOT REVOKE THE FACT THAT THERE ARE NOW TWO STATES IN GERMANY AND THAT REUNIFICATION CAN BE ACHIEVED ONLY THROUGH AGREEMENT OF THOSE STATES."

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S81
WITH BIG FOUR
(230)

GENEVA, JUNE 2 (AP)-THE WEST GERMANS WANT TO STAY STRICTLY OUTSIDE THE CONFERENCE ROOM IN THE EVENT THE BIG FOUR POWERS GATHER AT THE SUMMIT, WESTERN SOURCES SAID TODAY.

1959

THE BONN REPRESENTATIVES WOULD ASK ONLY FOR OBSERVER STATUS. THEY WOULD RESIST ANY MOVE TO BRING THEM IN AS ADVISORS, THE POSITION THEY HAVE IN THE CURRENT FOREIGN MINISTERS' CONFERENCE.

FROM WEST GERMANY'S POINT OF VIEW THIS WOULD HAVE ONE IMMEDIATE ADVANTAGE. IT WOULD KEEP EAST GERMANY OUT OF THE SUMMIT CONFERENCE ROOM AND THEREBY SLOW THE SOVIET DRIVE TO GIVE THAT COMMUNIST REGIME THE MANTLE OF LEGITIMACY.

FROM AN EVEN BROADER POINT OF VIEW IT WOULD MAKE IT DIFFICULT FOR THE SOVIET UNION TO GET COMMUNIST POLAND AND CZECHOSLOVAKIA INTO THE SUMMIT TALKS AND THEREBY ESTABLISH A PRECEDENT OF EAST-WEST PARITY IN NUMBERS IN INTERNATIONAL NEGOTIATIONS.

THROUGHOUT THE FOREIGN MINISTERS CONFERENCE SOVIET FOREIGN MINISTER ANDREI A. GROMYKO HAS MANEUVERED -- WITH SOME SUCCESS -- TO INCREASE THE DIPLOMATIC STATURE OF THE EAST GERMANS. THE WEST GERMANS, NOTING THIS WITH CONCERN, DO NOT WANT TO SEE THE SAME DIPLOMATIC GAME PLAYED AT THE TOP LEVEL.

IT WAS EXPLAINED THAT WEST GERMANY'S INTERESTS COULD BE ADEQUATELY PROTECTED EVEN WITH BONN'S REPRESENTATIVES WAITING OUTSIDE THE CONFERENCE ROOM.

THE WEST GERMANS WOULD WORK CLOSELY WITH THE AMERICAN, BRITISH AND FRENCH DELEGATIONS. THEY WOULD ATTEND PRIVATE WESTERN TACTICS MEETINGS AND SUBMIT SUGGESTIONS.

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A12'

BULLETIN

LEAD DAY BIG FOUR by John M. Hightower

GENEVA, JUNE 2 (AP)-SOVIET FOREIGN MINISTER ANDREI A. GROMYKO MADE A BID IN THE BIG FOUR CONFERENCE TODAY TO STATION RUSSIAN FORCES ALONGSIDE WESTERN TROOPS IN WEST BERLIN UNDER A FREE CITY REGIME.

WESTERN OFFICIALS HAVE ALREADY BRANDED THE PROPOSITION AS UNACCEPTABLE. IT IS PART OF A SOVIET PLAN FOR MAKING THE PRESENCE OF WESTERN FORCES IN BERLIN DEPENDENT ON RUSSIAN AGREEMENT. THEY ARE PRESENTLY THERE BY RIGHT OF CONQUEST IN WORLD WAR II.

GROMYKO DENOUNCED A WESTERN PROPOSAL TO PUT EAST AND WEST BERLIN ON AN EQUAL FOOTING BY MERGING THEM INTO A UNITED CITY. HE ARGUED FOR ENDING THE PRESENT STATUS OF WEST BERLIN AND OFFERED THREE ALTERNATIVES WITH RESPECT TO THE KEY TROOP ISSUES:

1. WITHDRAWAL OF WESTERN TROOPS FROM THE CITY WITH ITS SECURITY AND ACCESS ROUTES TO BE GUARANTEED BY RUSSIA AND OTHER POWERS.
2. GARRISONING OF WEST BERLIN BY TROOPS OF ALL FOUR BIG POWERS--MEANING THE INTRODUCTION OF SOVIET TROOPS INTO WEST BERLIN.
3. WITHDRAWAL OF WESTERN FORCES AND THE INTRODUCTION OF TROOPS OF NEUTRAL COUNTRIES.

BRUSHING ASIDE GROMYKO'S LATEST MOVE TO DRESS UP THE BASICALLY UNACCEPTABLE SOVIET PLAN WITH ALTERNATIVE PROPOSALS, A U.S. SPOKESMAN SAID HE THOUGHT "THE SITUATION WITH REGARD TO BERLIN WAS NOT APPRECIABLY ADVANCED BY THIS AFTERNOON'S SESSION."

IN A SPEECH TO THE BIG FOUR FOREIGN MINISTERS CONFERENCE GROMYKO DENOUNCED AS USELESS THE SEVEN-POINT PROGRAM SPELLED OUT BY SECRETARY OF STATE CHRISTIAN A. HERTER LAST WEEK FOR MERGING EAST AND WEST BERLIN. HE SAID HERTER'S SPEECH WAS A DISAPPOINTMENT.

THE DEBATE OVER BERLIN IN THE MEETING AT THE PALACE OF NATIONS BECAME UNUSUALLY BITTER ON THE COMMUNIST SIDE. THE SHARP TONE OF EXCHANGES COINCIDED WITH THE MOVEMENT OF THE CONFERENCE INTO ITS MOST CRUCIAL PHASE. IN SECRET TALKS RUSSIA AND THE WESTERN POWERS ARE ARGUING OVER THE POSSIBILITY OF WORKING OUT A STOPGAP ARRANGEMENT TO END THE BERLIN CRISIS.

EAST GERMAN FOREIGN MINISTER LOTHAR BOLZ MADE A SLASHING ATTACK ON ALLEGED WESTERN SUBVERSION AND ESPIONAGE OPERATIONS IN WEST BERLIN AND ARGUED THAT THE CITY IS EAST GERMAN TERRITORY. HE SAID WEST BERLIN IS "A POWDERKEG WHICH CAN IGNITE A WORLD CONFLAGRATION.

THE MEETING LASTED A BIT MORE THAN THREE HOURS AND WHEN IT ENDED DIPLOMATS REPORTED THE MINISTERS HAD CANCELED A SCHEDULED NIGHT MEETING AT WHICH THEY WERE TO CONTINUE THEIR SECRET TALKS. THE NEXT SECRET MEETING WAS SET FOR TOMORROW NIGHT AT HERTER'S VILLA.

AMBASSADOR WILHELM GREWE OF WEST GERMANY, ALSO ADDRESSING THE CONFERENCE AT THE PALACE OF NATIONS, ACCUSED THE COMMUNISTS OF CARRYING ON "MUD-SLINGING, SLANDEROUS AGITATION AND PROPAGANDA" SINCE THE BEGINNING OF THE GENEVA TALKS THREE WEEKS AGO.

GREWE, THE WEST GERMAN ENVOY TO WASHINGTON, APPEALED TO THE COMMUNISTS TO DROP SUCH TACTICS AND GET DOWN TO THE BUSINESS OF TRYING TO NARROW DIFFERENCES BETWEEN EAST AND WEST OVER BERLIN AND GERMAN ISSUES.

BOLZ MADE HIS CHARGES IN ARGUING FOR ACCEPTANCE OF THE SOVIET PROPOSAL THAT THE WESTERN POWERS GIVE UP THEIR OCCUPATION STATUS IN WEST BERLIN AND JOIN IN NEUTRALIZING THE CITY.

GREWE SAID THE WESTERN FORCES--U.S., BRITISH AND FRENCH--ARE REGARDED BY THE PEOPLE OF BERLIN AS PROTECTORS AGAINST COMMUNISM.

BOLZ, IN AN OBVIOUS REFERENCE TO THE AMERICAN RADIO STATION RIAS IN WEST BERLIN, DECLARED WEST BERLIN RADIO STATIONS ARE URGING THE EAST GERMAN PEOPLE TO TAKE ILLEGAL ACTION AGAINST THE COMMUNIST REGIME.

WHILE THE HOT WORDS FLEW IN THE SEMIPUBLIC SESSION OF THE BIG FOUR MEETING, DIPLOMATS REPORTED VERY LITTLE PROGRESS WAS BEING MADE IN SECRET EAST-WEST TALKS HERE TOWARD WORKING OUT A FORMULA FOR ENDING THE BERLIN CRISIS AND PAVING THE WAY TO A SUMMIT CONFERENCE.

THE UNITED STATES, BRITAIN AND FRANCE WERE SAID TO HAVE DEVELOPED A NEW PROPOSAL FOR CREATION OF A BIG FOUR COMMISSION TO DEAL WITH THE BERLIN SITUATION AND ASSUME SOME RESPONSIBILITY FOR KEEPING OPEN SUPPLY LINES ACROSS EAST GERMANY BETWEEN BERLIN AND WEST GERMANY.

RUSSIA HAS PROPOSED SETTING UP A NEW COMMISSION OVER WEST BERLIN ALONE. INFORMANTS SAID THE WEST WOULD NOT AGREE TO GIVE THE COMMUNISTS ANY AUTHORITY IN RELATION TO WEST BERLIN EXCEPT AS THE WESTERN POWERS GAINED COMPARABLE AUTHORITY IN EAST BERLIN.

IT WAS ALSO REPORTED THAT THE WEST GERMAN GOVERNMENT IS BEGINNING MANEUVERS TO TRY TO BLOCK EAST GERMANY FROM TAKING PART DIRECTLY IN

A SUMMIT CONFERENCE. OFFICIALS SAID THE WEST GERMANS HAVE DECIDED THAT NEITHER GERMAN REGIME SHOULD BE IN AT THE SUMMIT, THOUGH BOTH COULD HAVE OBSERVERS IN THE CONFERENCE CITY.

BOLZ MADE PROBABLY THE TOUGHEST ATTACK YET HEARD IN THE BIG FOUR MEETING IN WEST BERLIN.

"AGENTS AND SPIES IN WEST BERLIN," HE SAID, "ARE OUTFITTED WITH WEAPONS, EXPLOSIVES, AND RADIO EQUIPMENT AND ORDERED TO DESTROY INSTALLATIONS IN THE GERMAN (COMMUNIST) DEMOCRATIC REPUBLIC AND NEIGHBORING LANDS, AND TO MURDER THE CITIZENS OF THESE LANDS."

HE WOUND UP HIS SPEECH WITH AN EAST GERMAN OFFER TO "GUARANTEE... THE INVIOLABILITY OF THE STATUS OF A DEMILITARIZED FREE CITY OF WEST BERLIN AND THE CONNECTIONS OF THIS CITY WITH THE OUTSIDE WORLD." THE SOVIETS HAD EARLIER MADE A SIMILAR OFFER, BUT THE WEST HAS TURNED DOWN THE WHOLE PLAN.

GREWE REJECTED THE CHARGE, PREVIOUSLY MADE BY SOVIET FOREIGN MINISTER ANDREI GROMYKO, THAT WEST BERLIN IS A BRIDGEHEAD OF THE NORTH ATLANTIC ALLIANCE AND A THREAT TO THE SOVIET BLOC. HE SAID THE FACT IS THAT U.S., BRITISH AND FRENCH FORCES IN BERLIN ARE NOT UNDER NATO COMMAND AND "THEIR SMALL NUMBER (ABOUT 10,000) AND WEAK EQUIPMENT EXCLUDE ANY STRATEGIC USE OF THEM."

THE BITTER DEBATE RAISED NEW DOUBTS ABOUT THE POSSIBILITY OF AN AGREEMENT LIFTING THE SOVIET THREAT TO WEST BERLIN. THE WESTERN ALLIES SAY UNLESS THEY GET SUCH AN AGREEMENT, THEY WON'T JOIN SOVIET PREMIER KHRUSHCHEV IN A SUMMIT CONFERENCE.

SOVIET FOREIGN MINISTER ANDREI A. GROMYKO REQUESTED THE FULL-SCALE CONFERENCE SESSION TODAY, REPORTEDLY TO LET FOREIGN MINISTER LOTHAR BOLZ OF COMMUNIST EAST GERMANY SPEAK ON THE BERLIN SITUATION.

BOLZ WAS EXPECTED TO ECHO RUSSIA'S DEMAND THAT THE WESTERN POWERS ABANDON WEST BERLIN TO NEUTRALIZED RULE.

IT WAS ASSUMED HE ALSO WOULD ARGUE THAT THIS WOULD EASE EAST-WEST TENSIONS BY ENDING WESTERN USE OF THE CITY TO WAGE SUBVERSION, ESPIONAGE AND PROPAGANDA WARFARE AGAINST COMMUNIST EAST GERMANY.

"YOU COULD ASSIST DR. BOLZ TO FAMILIARIZE HIMSELF WITH THE BASIC DOCUMENTS CONCERNING THE UNCONDITIONAL SURRENDER OF GERMANY."

HERTER, REJECTING THE ARGUMENT THAT WEST BERLIN IS EAST GERMAN TERRITORY, TOLD GROMYKO AT ONE POINT:

GROMYKO ALREADY HAS DENOUNCED WEST BERLIN AS A HOTBED OF INTRIGUE.

HERTER COUNTERATTACKED IN YESTERDAY'S SECRET SESSION WITH CHARGES OF COMMUNIST SUBVERSION, ESPIONAGE AND PROPAGANDA BASED IN EAST BERLIN. HE ALSO REJECTED GROMYKO'S DEMAND THAT THE UNITED STATES MUZZLE ITS POWERFUL RIAS (ALL CAPS), THE RADIO IN THE AMERICAN SECTOR, WHICH BEAMS GERMAN-LANGUAGE PROGRAMS TO THE COMMUNIST EAST.

HERTER, BRITISH FOREIGN SECRETARY SELWYN LLOYD AND FRENCH FOREIGN MINISTER MAURICE COUVE DE MURVILLE PLANNED TO CONTINUE THIS CAMPAIGN, TAILORING IT TO WHATEVER LINE BOLZ TOOK. LATER IN THE CONFERENCE, OFFICIALS SAID, THE WESTERN MINISTERS MIGHT MOUNT A FULL-SCALE ATTACK ON THE RED USE OF EAST BERLIN.

THE WESTERN MINISTERS ARE DETERMINED THAT ANY AGREEMENT MADE TO CURTAIL INTERNATIONAL DIRTY WORK IN BERLIN MUST APPLY TO THE COMMUNIST AS WELL AS TO THE WESTERN SECTOR OF THE CITY. THEY ALSO ARE FIGHTING TO KEEP THE PUBLIC FROM GETTING THE IDEA THAT THE WEST IS GUILTY OF ALL KINDS OF UNDERHANDED ACTIVITY IN WEST BERLIN WHILE THE COMMUNISTS TO THE EAST HAVE A LILY WHITE RECORD.

THE SECRET TALKS WHICH BEGAN LAST THURSDAY APPARENTLY WERE GETTING THE MINISTERS NO CLOSER TO A SOLUTION OF THE BERLIN PROBLEM THAN THE SEMI-PUBLIC SESSIONS EARLIER. ASST. U.S. SECRETARY OF STATE ANDREW H. BERDING TOLD A NEWS CONFERENCE "VERY LITTLE PROGRESS HAS BEEN MADE IN THE PRIVATE TALKS TOWARD A SOLUTION OF THE PROBLEMS BEFORE THE CONFERENCE."

SOME BRITISH OFFICIALS TOOK A SLIGHTLY MORE OPTIMISTIC LINE, SAYING SOME PROGRESS WAS MADE IN THE MEETING MONDAY AT GROMYKO'S VILLA.

30.24-7281

ANOTHER SECRET TALK WAS SCHEDULED TONIGHT AT HERTER'S VILLA.

A U.S. SPOKESMAN STRESSED THAT DESPITE THE LACK OF PROGRESS, HERTER IS PREPARED TO STAY IN GENEVA AS LONG AS THERE I A REASONABLE CHANCE TO NEGOTIATE.

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A128

-95-

FIRST LEAD LLOYD

BY DENNIS NEELD

LONDON, JUNE 2 (AP)-PRIME MINISTER HAROLD MACMILLAN TOLD THE HOUSE OF COMMONS TODAY HE HOPES TO BE WORKING TOGETHER WITH FOREIGN SECRETARY SELWYN LLOYD "FOR A VERY LONG TIME." MEMBERS OF THE HOUSE CHEERED.

MACMILLAN'S STATEMENT CAME AFTER LABORITE EMANUEL SHINWELL ASKED IF THE PRIME MINISTER COULD SAY WHO WAS RESPONSIBLE FOR "INSPIRED STATEMENTS THAT THE FOREIGN SECRETARY IS TO BE REPLACED."

"THERE HAVE BEEN NO INSPIRED STATEMENTS OF ANY KIND," MACMILLAN ANSWERED. "BUT THIS DOES GIVE ME AN OPPORTUNITY OF SAYING I HAVE BEEN READING NEWSPAPERS, NO DOUBT AS MR. SHINWELL HAS, AND THE FOREIGN SECRETARY AND I HOPE TO CARRY ON OUR WORK TOGETHER FOR A VERY LONG TIME."

MACMILLAN'S REFERENCE WAS TO A SERIES OF REPORTS IN LONDON NEWSPAPERS IN THE PAST FEW DAYS TO THE EFFECT THAT LLOYD MIGHT BE MOVED TO ANOTHER JOB.

THE LONDON TIMES CREATED THE MAJOR STIR YESTERDAY WHEN IT REPORTED THAT MACMILLAN HAD NOTIFIED LLOYD HE WOULD BE REPLACED SOMETIME IN THE FUTURE.

MACMILLAN CABLED ASSURANCES TO LLOYD, WHO IS ATTENDING THE BIG FOUR FOREIGN MINISTERS' CONFERENCE IN GENEVA, THAT THE TIMES REPORT, AS WELL AS OTHERS IN THE SUNDAY EXPRESS AND EVENING NEWS, WERE BASELESS.

ANEURIN BEVAN, LABORITE FOREIGN AFFAIRS SPOKESMAN, ASKED MACMILLAN TODAY:

"IS THE PRIME MINISTER AWARE THAT IF STATEMENTS OF THE SORT WHICH HAVE APPEARED IN NEWSPAPERS RECENTLY HAD BEEN MADE BY THE OPPOSITION, WE SHOULD HAVE BEEN ACCUSED OF UNPATRIOTICALLY STABBING THE FOREIGN SECRETARY IN THE BACK IN THE COURSE OF INTERNATIONAL NEGOTIATIONS?"

MACMILLAN REPLIED:

"THE OPPOSITION DOES QUITE ENOUGH OF THAT ANYWAY."

TODAY THERE WAS GENERAL AGREEMENT HERE THAT THE NEWSPAPER REPORTS WERE ILL TIMED, BUT THE MORE CYNICAL SUGGESTED THERE MIGHT HAVE BEEN SOMETHING TO THEM AFTER ALL.

THERE WERE THEORIES THAT THE REPORTS WERE PLANTED BY SOMEBODY HIGH UP IN THE GOVERNMENT.

A SPOKESMAN AT THE PRIME MINISTER'S RESIDENCE, NO. 10 DOWNING ST. SAID TODAY MACMILLAN, IN HIS MESSAGE TO LLOYD, TOLD THE FOREIGN SECRETARY TO PAY NO ATTENTION TO THE ASTONISHING AND COMPLETELY UNFOUNDED REPORTS WHICH BOTH KNEW WERE BASELESS NONSENSE.

BUT THERE WAS SOME OPINION IN LONDON TODAY THAT LLOYD HAS BEEN DELIBERATELY NEEDLED AT A TIME WHEN HE IS TAKING PART IN CRITICAL NEGOTIATIONS IN GENEVA.

SAID THE DAILY MAIL IN A DISPATCH FROM GENEVA:

"SELWYN LLOYD HAS BEEN STABBED IN THE BACK. THAT IS THE VIEW HERE OF SPECULATION ABOUT HIS FUTURE. IN AMERICAN CIRCLES IT IS

THOUGHT ONE REASON FOR THE STRANGE REFERENCES TO MR. LLOYD MAY BE FEAR THAT THE FOREIGN SECRETARY IS KNUCKLING UNDER TO UNITED STATES PRESSURE. BUT THE SHREWDEST OBSERVERS SEE NO TRACE OF THIS."

THE STATE-CONTROLLED BRITISH BROADCASTING CORP., IN A GENEVA DISPATCH, SAID MOST CORRESPONDENTS COVERING THE FOREIGN MINISTERS' CONFERENCE -- ALONG WITH OFFICIAL DELEGATES -- FELT THE REPORTS ABOUT LLOYD'S FUTURE WERE MISCHIEVOUS.

WHATEVER LIES BEHIND THE FLURRY OF REPORTS PREDICTING LLOYD'S REMOVAL, THE GOVERNMENT APPEARED READY TO LET THE WHOLE THING DIE A NATURAL DEATH.

HIGHLY AUTHORITATIVE SOURCES SAID MACMILLAN HAS NO INTENTION TO PURSUE AN INQUIRY INTO THE MATTER.

"THERE IS NO QUESTION OF SECURITY OR ANYTHING LIKE THAT INVOLVED," SAID ONE SOURCE. "ALL WE HAVE HERE IS CRITICAL, UNFOUNDED SPECULATION ABOUT THE FUTURE."

MACMILLAN ACTED SWIFTLY TO COUNTER ANY IDEA THE SENSATIONAL REPORT MIGHT HAVE RAISED THAT BRITAIN'S SPOKESMAN AT THE GENEVA TALKS DID NOT HAVE THE GOVERNMENT'S FULL CONFIDENCE. THE TIMES REPORT SUGGESTED A NEW MAN AND A NEW POLICY MIGHT BE NEEDED AT THE FOREIGN OFFICE AFTER THE SUMMIT CONFERENCE EXPECTED IN THE SUMMER.

THE BRITISH GOVERNMENT ALSO WAS UNDERSTOOD TO HAVE ASSURED THE WESTERN ALLIES THAT THE 54-YEAR-OLD LLOYD WOULD BE SPEAKING FOR BRITAIN FOR SOME CONSIDERABLE TIME TO COME.

ALONG WITH THEIR ANGER, GOVERNMENT OFFICIALS WERE CONSIDERABLY PUZZLED. FOR IT WAS BELIEVED THE RESPECTED LONDON TIMES--THE VERY ANTITHESIS OF SENSATIONAL JOURNALISM--WOULD NOT HAVE CARRIED SUCH A STORY UNLESS IT GOT THE INFORMATION FROM AN APPARENTLY RELIABLE SOURCE.

AN OFFICIAL OF THE TIMES SAID THE PAPER COULDN'T REVEAL ITS SOURCE BUT STILL FELT THE REPORT WAS TRUE.

THE TIMES DITUFULLY REPORTED MACMILLAN'S CABLE TO THE FOREIGN SECRETARY AND REPORTED ITS STORY HAD CAUSED THE "MOST INTENSE INTEREST" AT THE GENEVA CONFERENCE. THE DISPATCH FROM THE POLITICAL CORRESPONDENT AT GENEVA SAID:

"LITTLE OR NO ATTENTION WAS PAID TO THE FACT THAT LLOYD'S TRANSFER TO ANOTHER DEPARTMENT WAS SAID TO BE 'CLEARLY STILL SEVERAL MONTHS AHEAD' OR TO THE REACTIONS OF BRITISH REPRESENTATIVES WHO DENIED THE PRIME MINISTER AND FOREIGN SECRETARY DISCUSSED THE MATTER AND ARGUED IT IS LIKELY ENOUGH SPECULATION TO SUGGEST THAT, IF THE CONSERVATIVES WIN THE NEXT ELECTION, THERE WILL BE A CABINET RESHUFFLE."

THE ELECTION MUST HE HELD BEFORE NEXT MAY AND IS EXPECTED IN THE FALL.

THE CONSERVATIVE DAILY MAIL REPORTED FROM GENEVA THAT "SELWYN LLOYD HAS BEEN STABBED IN THE BACK." THE LABORITE DAILY HERALD'S GENEVA CORRESPONDENT CABLED THAT "LLOYD'S POSITION HAS BEEN BADLY SHAKEN." LORD BEAVERBROOK'S DAILY EXPRESS COMMENTED:

"THE TIMES ARTICLE HAS DONE MORE TO JEOPARDIZE THE OUTCOME OF THE FOREIGN MINISTERS' CONFERENCE THAN THE VICIOUS WHISPERING CAMPAIGN ABOUT A LONDON-MOSCOW AXIS 10 DAYS AGO. . .EVERYWHERE THE FEELING IS THAT BRITAIN CANNOT NOW BE FULLY TRUSTED AS AN ALLY."

BEAVERBROOK'S SUNDAY EXPRESS HAD REPORTED THE DAY BEFORE THE TIMES ARTICLE THAT IF AN EAST-WEST SUMMIT MEETING LEADS TO A CONSERVATIVE ELECTION VICTORY, LLOYD COULD BE EXPECTED TO GIVE UP THE FOREIGN OFFICE FOR THE POST OF LORD HIGH CHANCELLOR, THE HEAD OF BRITAIN'S LEGAL SYSTEM.

BJ341AED

A39 (DN FOLO)
PMS BUDGET
SPY WAR INTERPRETIVE (350)

(EDITOR'S NOTE: SEYMOUR TOPPING, ASSOCIATED PRESS CORRESPONDENT IN BERLIN SINCE 1956, WRITES OF THE SPY WAR IN THE DIVIDED GERMAN CITY WHICH HAS BECOME A TOP ISSUE AT THE BIG FOUR FOREIGN MINISTERS'HCONFERENCE.)

BY SEYMOUR TOPPING

GENEVA, JUNE 2 (AP)-THE BIG FOUR ARE TALKING ABOUT A TRUCE IN THE BERLIN SPY WAR. OBSERVERS DOUBT ONE WOULD WORK, OR THAT EITHER SIDE WANTS TO LEASH ITS OWN OPERATIVES.

. DIVIDED BERLIN RANKS AS THE WORLD'S BIGGEST EAST-WEST CENTER OF MILIZARY INTELLIGENCE OPERATIONS. IT IS A TWO-WAY PEEPHOLE THROUGH THE IRON CURTAIN AND A BUSY FUNNEL FOR SPIES.

BOTH THE WESTERN ALLIES AND THE SOVIETS HARDLY COULD AFFORD AT THIS TENSE STAGE OF THE COLD WAR TO GIVE UP THEIR VITAL INTELLIGENCE ACTIVITIES IN BERLIN.

BASED IN EAST GERMANY ARE SOME 22 SOVIET DIVISIONSLANB A BIG TACTICAL AIR FORCE. THIS IS THE MAIN SOVIET STRIKING FORCE CONFORNTING THE ATLANTIC PACT DEFENSE LIND, THE FORCE THABIIIPAINVADE WESTERN EUROPE IF WAR CAME.

IT IS NOT UNLIKELY THAT THE WESTERN INTELLIGENCE NETWORK IN WEST BERLIN WOULD FLASH THE FIRST WARNING OF COMMUNIST CONCENTRATION IN PREPARATION FOR AN AGGRESSION.

THERE ARE DOZENS OF WESTERN INTELLIGENCE ORGANIZATIONS FUNCTIONING IN WEST BERLIN. MANNING THEM ARE SERIOUS MEN AND WOMEN WHO CARRY BRIEFCASES AND SLIDE RULES INSTEAD OF INVISIBLE INK AND SILENT PISTOLS.

THEIR JOB IS TO ANALYZE AND MAKE SENSE OUT OF THE VAST AMOUNT OX DEQAILED INFORMATION ON EAST GERMANY FILTERING INTO WEST BERLIN.

THEY INTERROGATE REFUGEES. THEY STUZY TPE REPORTS OF WEST GERMAN SPIES OPERATING IN THE SATELLITE HALF OF THE COUNTRY. THEY CAREFULLY MONITOR THE COMMUNIST PRESS AND RADIO. FROM ALL THESE SOURCES WESTERN INTELLIGENCE GETS A PICTURE OF WHAT THE SOVIETS ARE UP TO.

THE WESTERN ALLIES HAVE BEEN WITHDRAWING SUPPORT FROM VARIOUS GERMAN ORGANIZATIONS WHOSE ACTIVITIES HAVE STEPPED OVER THE BOUNDARY BETWEEN CLOAK-AND-DAGGER INFORMATION WORK INTO THE REALM OF REVOLUTIONARY OPERATIONS.

THE EAST GERMANS USE WEST BERLIN AS A TRANSIT CENTER FOR SENDING AGENTS TO WEST GERMANY TO SPY ON THE HEART OF THE ATLANTIC PACT DEFENSE COMPLEX BASED THERE. IN EAST BERLIN THEY COLLECT INFORMATION ON THE WESTERN ACTIVITIES AND EVALUATE IT, MUCH AS THEIR WESTERN COUNTERPARTS DO.

THE COMMUNIST AGENTS ALSO OPERATE WITH BARE KNUCKLES IN WEST BERLIN.

THEY HAVE KIDNAPED ANTI-REDS REPEATEDLY. NOW THEY ARE CARRYING ON A WIDESPREAD CAMPAIGN OF PSYCHOLOGICAL WARFARE AND TERRORISM TO GIVE WEST BERLINERS MORE JITTERS IN THE CURRENT CRISIS. WEST BERLIN OFFICIALS GET THREATENING LETTERS. THE POINT IS MADE MORE TRENCHANTLY WHEN THEY OPEN THEIR FRONT DOORS AND FIND FUNERAL FLOWERS LEFT BY THE REDS AS WARNINGS.

FD454AED

A27
AMS BUDGET (470)
BIG FOUR INTERPRETIVE
BY ARTHUR GAVSHON

GENEVA, JUNE 2 (AP)-RUSSIA'S ANDREI A. GROMYKO APPEARED TONIGHT TO BE PLAYING A WAITING GAME IN HIS DIPLOMATIC ENCOUNTERS WITH WESTERN STATESMEN OVER BERLIN.

THE FOREIGN MINISTERS OF THE UNITED STATES, BRITAIN AND FRANCE ALSO ARE TRYING TO CONCEAL THEIR OWN ULTIMATE TERMS FOR A STOPGAP BERLIN SOLUTION UNTIL THEY GET AN IDEA OF WHAT MOSCOW MAY SETTLE FOR.

THE RESULT TO DATE OF FOUR RESTRICTED SESSION OF THE BIG FOUR SINCE THURSDAY WAS SUMMED UP BY A SENIOR BRITISH DIPLOMAT.

"WE'VE BEEN PLAYING ROUND AND ROUND THE MULBERRY BUSH," HE SAID.

WESTERN AUTHORITIES SEEM STILL CONVINCED THAT WHATEVER HIS PASSING TACTICS MAY BE, GROMYKO IN THE END WILL COME TO SOME SORT OF ARRANGEMENT THAT WILL LEAVE DIVIDED BERLIN ESSENTIALLY AS IT IS.

THE MOST AUTHORITATIVE GUESS IS THAT THE BIG FOUR WILL AGREE ON A DECLARATION OF THEIR PEACEFUL INTENTIONS AND OF THEIR UNDERSTANDING THAT WEST BERLIN'S STATUS WILL NOT BE UPSET BY ONE-SIDED ACTIONS.

SUCH AN OUTCOME AT THIS CONFERENCE COULD CLEAR THE WAY TO A LATER SUMMIT MEETING BETWEEN EAST AND WEST.

ONE GENERAL REASON FOR THIS STALLING GAME IS THAT IN DIPLOMATIC NEGOTIATIONS IT OFTEN PAYS TO CONCEAL THE PRICE OF A SETTLEMENT UNTIL THE LAST POSSIBLE MOMENT. THE SOVIETS ARE ESPECIALLY FOND OF THIS TACTIC. THE STORY COMMUNIST DIPLOMATS ARE PUTTING OUT IS THAT THEIR SIDE IS READY TO KEEP TALKING HERE "AT LEAST TWO DAYS LONGER THAN THE WEST."

A PARTICULAR REASON THAT APPLIES TO THIS PARLEY MAY BE TRACED BACK TO A CERTAIN ZIG-ZAGGING OF THE PART OF SOME WESTERN OFFICIALS.

HERE IS WHAT HAPPENED AFTER THE BIG FOUR FLEW BACK LAST FRIDAY FROM THE FUNERAL OF JOHN FOSTER DULLES IN WASHINGTON.

OFFICIALS OF SEVERAL WESTERN DELEGATIONS SPREAD WORD OF THE SORT OF CONCESSIONS THE ALLIES MIGHT MAKE TO INDUCE THE RUSSIANS TO COME TO N ACCEPTABLE ARRANGEMENT.

A FEW NEWSMEN WERE TOLD THE ALLIES MIGHT MAKE TOKEN CUTS IN THEIR WEST BERLIN GARRISONS, MIGHT AGREE TO JOIN THE COMMUNISTS IN BARRING SPIES, SABOTEURS AND POLITICAL PROPAGANDISTS FROM ALL BERLIN, MIGHT DO BUSINESS WITH THE EAST GERMAN REDS AS AGENTS OF THE RUSSIANS ON THE LIFELINES TO BERLIN.

ALL THIS AND A FEW OTHER DETAILS, TAKEN TOGETHER, SUGGESTED THAT A WESTERN COMPROMISE OFFER WAS IN THE MAKING.

THIS WESTERN OPERATION MAY HAVE BEEN INTENDED TO PREPARE PUBLIC OPINION FOR THAT VERY THING--SOME SORT OF COMPROMISE. IT ALSO MAY HAVE BEEN INTENDED TOO SHOW THE RUSSIANS THAT A DEAL MIGHT BE POSSIBLE IF ONLY THEY WOULD COOPERATE.

GROMYKO WAS NOT TOLD OF THESE THINGS OFFICIALLY. BUT BEING ABLE TO READ WESTERN NEWSPAPERS HE BECAME AWARE OF THEM.

SOME WESTERN OFFICIALS BELIEVE GROMYKO THEN DECIDED TO WAIT FOR A FORMAL OFFER. PERHAPS HE FIGURED THAT IF THE OFFER CAME HE COULD ASK FOR STILL MORE CONCESSIONS.

HE IS STILL WAITING.

IN SOME WESTERN COUNTRIES, THE OUTLINE OF THE WESTERN "COMPROMISE" AROUSED SOME DISQUIET AND DISPLEASURE, ESPECIALLY IN WEST GERMANY.

TO DISILLUSION GROMYKO, AND TO ALLAY FEARS ON THEIR OWN SIDE, WESTERN DELEGATIONS IN THE PAST TWO DAYS HAVE BEEN ASSIDUOUSLY BACK-PEDALLING ON THE POSITION THAT PREVIOUSLY THEY HAD BEEN RELAYING.

THE WEST GERMANS, YESTERDAY ON FOUR SEPARATE OCCASIONS SOUGHT TO FIRM UP THE WESTERN PRICE FOR A BERLIN SOLUTION.

SO NOW EAST AND WEST ALIKE ARE ENGAGED IN THE GAME OF DIPLOMATIC PATIENCE IN THE HOPE OF WEARING EACH OTHER DOWN.

JF343PED

A116 ALDERMASTON, ENGLAND, JUNE 2 (AP)-BRITISH SCIENTISTS TODAY UNVEILED A NEW ATOM SMASHER THEY DESCRIBED AS THE LARGEST OF ITS KIND IN THE WORLD.

THE 100-FOOT HIGH MACHINE CAN PRODUCE ENERGIES CORRESPONDING TO 10 OR 12 MILLION VOLTS. IT IS USED IN EXPERIMENTS TO HELP DETERMINE THE BEST METALS FOR NUCLEAR WEAPONS AND REACTORS.

JB930PED

A113

LONDON, JUNE 2 (AP)-NIKITA S.KHRUSHCHEV TOOK A TRIP THROUGH ALBANIA'S COUNTRYSIDE TODAY.

MOSCOW RADIO SAID THE SOVIET PREMIER VISITED A GOVERNMENT CITRUS FARM AND AN ARCHAEOLOGICAL SITE.

FV100PED

A100

BERLIN, JUNE 2 (AP)-NIKITA S. KHRUSHCHEV, WILL VISIT COMMUNIST POLAND OON JULY 22, IT WAS ANNOUNCED IN WARSAW TODAY.

TA827PED

30.24- 7283

S73

NIGHT LEAD TRADE (140)

STOCKHOLM, JUNE 2 (AP)-THE OUTER SEVEN TODAY GOT A GREEN LIGHT FROM THE INNER SIX TO FORM A SECOND FREE TRADE AREA.

REPRESENTATIVES OF BRITAIN, SWEDEN, NORWAY, DENMARK, AUSTRIA, SWITZERLAND AND PORTUGAL--THE OUTER SEVEN--TODAY CONTINUED THEIR TALKS TO REMOVE TRADE BARRIERS BETWEEN THEIR COUNTRIES.

A CONFERENCE SPOKESMAN SAID THE EUROPEAN ECONOMIC COMMUNITY OF WEST GERMANY, FRANCE, ITALY, BELGIUM, THE NETHERLANDS AND LUXEMBURG--THE INNER SIX--HAD PASSED THE WORD TO THE CONFERENCE THAT THEY HAVE NO OBJECTIONS TO FORMATION OF A SECOND FREE TRADE AREA.

FROM THE VERY START OF THE CONFERENCE DELEGATES HAVE STRESSED THAT THE PURPOSE IS NOT TO FORM A NEW COMMON MARKET TO COUNTER THE INNER SIX.

THE ULTIMATE AIM OF THE TALKS, STILL AT NON-POLITICAL LEVEL, IS TO BRING TOGETHER ALL THE 17 MEMBER COUNTRIES OF THE ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION.

PS752PED

A158 (140)

ROME, JUNE 2 (AP)-ITALY CELEBRATED THE 13TH ANNIVERSARY OF ITS POSTWAR REPUBLIC TODAY WITH THE FIRST PUBLIC PARADE OF SHORT RANGE ROCKET ARTILLERY TURNED OVER BY THE UNITED STATES.

HUNDREDS OF THOUSANDS OF ROMANS CHEERED THE DEMONSTRATION OF THEIR COUNTRY'S REVIVING MILITARY STRENGTH. ONLY LAST WEEK IT WAS THE TARGET OF THREATS BY SOVIET PREMIER NIKITA KHRUSHCHEV, VISITING IN COMMUNIST ALBANIA JUST ACROSS THE NARROW ADRIATIC SEA.

CONVENTIONAL INFANTRY, ARTILLERY AND ARMORED UNITS TOTALING 9,000 MEN MADE UP MOST OF THE PARADE DOWN ROME'S WIDE WAY OF THE IMPERIAL FORUMS. THE TROOPS REPRESENT FOUR OF ITALY'S NINE DIVISIONS COMMITTED TO THE NORTH ATLANTIC TREATY ALLIANCE. THE HEARTIEST CHEERS GREETED TWO GLEAMING-WHITE HONEST JOHN ROCKETS PARADED BY ITALY'S 31ST ARTILLERY REGIMENT.

THE ROCKETS ARE CAPABLE OF CARRYING ATOMIC WARHEADS. U.S. UNITS EQUIPPED WITH THEM HAVE BEEN BASED IN NORTHERN ITALY FOR SEVERAL YEARS, BUT THEY ONLY RECENTLY TRAINED AND EQUIPPED THE ITALIANS.

P1259PED

S57 (150)

BY HERB ALTSCHULL

BONN, GERMANY, JUNE 2 (AP)-LEADERS OF WEST GERMANY'S SOCIALIST PARTY WERE REPORTED TODAY TO BE WORKING HARD BEHIND THE SCENES TO HEAD OFF A PARTY SHOWDOWN ON THE ISSUE OF SOFTNESS TO COMMUNISM.

A RIFT AMONG LEADERS OF THE OPPOSITION PARTY CAME TO LIGHT IN AN ANNOUNCEMENT BY THE NINE-MAN PRESIDIUM THAT ALL PERSONS CONCERNED IN THE DISPUTE ARE INVITED TO A "CLARIFICATION" MEETING NEXT MONDAY.

THOSE OPPOSED TO CLOSE LINKS WITH THE COMMUNISTS HOLD THE MAJORITY VOICE WITHIN THE PARTY BUT A LEFT WING IS VOCAL AND ACTIVE.

SOME LEFT WING LEADERS HAVE BEEN URGING AN INNER-PARTY TRIAL OF KARL MOMMER, BUSINESS MANAGER OF THE PARTY'S PARLIAMENTARY DELEGATION.

MOMMER HAS ACCUSED NINE SOCIALIST JOURNALISTS OF BEING TOO FRIENDLY TO SOVIET PREMIER KHRUSHCHEV DURING A RECENT VISIT TO MOSCOW.

MOMMER ALSO HAS BEEN CRITICAL OF PARTY LEADER ERICH OLLENHAUER WHO ALSO HAD A CHAT WITH KHRUSHCHEV A FEW MONTHS AGO.

MOMMER CLAIMS OLLENHAUER AND THE JOURNALISTS ADDRESSED KHRUSHCHEV AS "COMRADE."

THE PARTY PRESS CHIEF HAS DENIED THAT OLLENHAUER, A QUIET, PIPE-SMOKING MIDDLE OF THE ROADER, SO ADDRESSED KHRUSHCHEV.

JS1104AED

A40

BERLIN, JUNE 2 (AP)-WEST BERLIN'S CABINET SAID TODAY IT PLANS TO RENAME ZOLTEN ALLEE, A STREET LEADING THROUGH THE TIERGARTEN AREA, JOHN FOSTER DULLES ALLEE.

HW432PED

A72

BERLIN, JUNE 2 (AP)-THE U.S. ARMY'S BERLIN COMMAND HAS DECLARED WAR ON SHORT SHORTS, BLUE JEANS AND OTHER CASUAL ATTIRE FOR AMERICAN DEPENDENTS OF THE GARRISON.

OFFICERS AND ENLISTED MEN WERE TOLD IN A SPECIAL DIRECTIVE THAT THEIR WIVES AND CHILDREN SHOULD WEAR APPROPRIATE DRESS WHILE IN PUBLIC.

UK605PED

A25

TEHRAN, IRAN, JUNE 2 (AP)-THE NEWSPAPER KEYHAN REPORTED TODAY THAT A BRIGADE OF IRAQI TROOPS REVOLTED MONDAY NIGHT AND ATTEMPTED TO MARCH ON BAGHDAD, THE CAPITAL.

THE NEWSPAPER SAID ITS INFORMATION CAME FROM IRAQI MERCHANTS WHO ARRIVED IN ABADAN FROM BASRA. SOUTHERN IRAQ. THERE WAS NO CONFIRMATION OF THE REPORT. THERE IS STRICT CENSORSHIP ON BAGHDAD DISPATCHES.

KEYHAN SAID THE BRIGADE ATTEMPTED TO MARCH FROM KAZEMAIN, 2 1/2 MILES NORTHWEST OF BAGHDAD, BUT WAS MET AND SURROUNDED BY TWO ARMY DIVISIONS FROM BAGHDAD. THE TWO DIVISIONS PUT DOWN THE REVOLT, IT SAID, AND ARRESTED A NUMBER OF OFFICERS OF THE BRIGADE.

WD/JF330PED

A153 (AGENCIES AND RADIO OUT)

AP FOREIGN SERVICE ADVANCE FOR WEDNESDAY AMS JUNE 3

RYAN'S IRAN NO. 2

EDITOR'S NOTE--IRAN, AT THE DOORSTEP OF THE SOVIET UNION, IS A KEY AREA IN THE COLD WAR. WILLIAM L. RYAN HAS GONE BACK THERE TO FIND OUT WHAT U.S. MONEY IS DOING IN THE AREA AND TO APPRAISE THE PROSPECTS. THIS IS THE SECOND OF FOUR ARTICLES.

BY WILLIAM L. RYAN

AP FOREIGN NEWS ANALYST

(ADVANCE)...KHANEH, IRAN, JUNE 2 (AP)-THIS PRIMITIVE, OVERGROWN VILLAGE OF MUD HUTS, ENCIRCLED BY TOWERING SNOWCAPPED MOUNTAINS, IS AN IMPORTANT SPOT TODAY.

ASTRIDE THE HISTORIC ROUTE USED BY THE INVADING MONGOL HORDES OF GENGHIS KHAN EIGHT CENTURIES AGO, KHANEH IS PART OF THE AREA OF NORTHWEST IRAN WHERE MOSCOW ONCE TRIED TO INSTALL A SATELLITE KURD REPUBLIC.

BUT FOR A SERIES OF SOVIET BLUNDERS IN THE STALIN ERA MUCH OF THIS AREA MIGHT BE COMMUNIST TODAY. THERE WOULD BE NO QUESTION OF ESTABLISHING A CORRIDOR TO IRAQ AND THE MIDDLE EAST. IT WOULD BE IN EXISTENCE.

THE UNITED STATES IS BETTING HUGE SUMS THAT THE RUSSIANS WON'T TRY AGAIN EITHER TO DOMINATE KURDISTAN OR SET UP A SATELLITE AZERBAIJAN REPUBLIC AS THEY DID IN 1946.

JUST OUTSIDE KHANEH'S VILLAGE LIMITS IS AN IMPORTANT KEY TO A CHAIN OF IRANIAN MILITARY BASES BEING BUILT SWIFTLY BY AMERICAN MONEY AND CONSTRUCTION KNOW-HOW.

THERE IS LITTLE NOTION THAT THE IRANIAN ARMY WOULD BE ANY MATCH FOR INVADING RUSSIANS. BUT THE PERMANENT PRESENCE OF IRANIAN MILITARY IN FORCE IN THIS KURD AREA OF AZERBAIJAN PROVINCE APPARENTLY IS INTENDED TO DISCOURAGE SOVIET USE OF SUBVERSION TO SHAKE NORTHWEST IRAN OUT OF A WESTERN ALLIANCE AND GIVE MOSCOW ACCESS BY LAND TO THE MIDDLE EAST.

KURDS, ONCE EASILY STIRRED BY OUTSIDE INFLUENCES, SEEM JUST A LITTLE STUNNED BY THE MAGNITUDE AND SUDDENNESS OF THIS HIVE OF ACTIVITY IN THEIR MIDST. BUT THE KHANS--LOCAL CHIEFS--AND THEIR TRIBAL FOLLOWERS HAVE GIVEN THEIR BLESSING TO THE AMERICAN-FINANCED PROGRAM.

WHAT GOES ON HERE IS PART OF A 76-MILLION-DOLLAR PROGRAM TO SET UP A CHAIN OF 10 IRANIAN MILITARY BASES, FINANCED BY THE U.S. MILITARY ASSISTANCE PROGRAM AND DIRECTED BY THE U.S. ARMY CORPS OF ENGINEERS. IT IS BOSSED BY GULF DISTRICT HEADQUARTERS IN TEHRAN, WHERE COL. CARL M. SCIPLE IS DISTRICT ENGINEER.

THE TOTAL OF MILITARY AID ALLOTTED FOR IRAN TO DATE IS ABOUT 280 MILLION DOLLARS, OF WHICH MORE THAN 250 MILLION ALREADY HAS BEEN COMMITTED. THE AMOUNT CURRENTLY AVAILABLE FOR ECONOMIC AND TECHNICAL ASSISTANCE UNDER THE INTERNATIONAL COOPERATION PROGRAM IS MORE THAN 101 MILLION DOLLARS.

THIS ADDS UP TO ONE OF THE LARGEST U.S. MILITARY AND ECONOMIC AID PROGRAMS IN THE WORLD. AN IMPORTANT PART OF IT CONCERNS RAPID CONSTRUCTION OF BASES FOR THE IRANIAN ARMY.

THE OVER-ALL BASE PROGRAM WILL PROVIDE MORE THAN 2,000 STRUCTURES. THE BASES WILL HAVE 100-BED HOSPITALS, SEWERAGE, WAREHOUSES, REPAIR AND MAINTENANCE SHOPS, BARRACKS AND OFFICERS' QUARTERS OF BRICK AND STONE, EVEN THEIR OWN BAKERIES TO TURN OUT SANGAK--PERSIAN BREAD--FOR THE TROOPS. NEVER IN PERSIA'S HISTORY DID HER SOLDIERS HAVE IT SO GOOD.

TARGET DATE FOR THE PROGRAM'S COMPLETION IN THE KHANEH AREA IS DECEMBER 1959, AND FOR THE WHOLE PROGRAM, ABOUT OCTOBER 1960. WHEN THE JOB IS DONE, IRAN'S ARMY WILL HAVE A CHAIN OF PERMANENT, MODERN DIVISIONAL, REGIMENTAL, BATTALION AND COMPANY INSTALLATIONS IN WESTERN, NORTHERN AND NORTHWESTERN IRAN, ALL THHE WAY FROM LAKE REZAIYEH IN THE NORTHWEST TO DEZFUL IN KHUZESTAN PROVINCE.

THE LOCATIONS ARE SIGNIFICANT. THESE ARE THE AREAS MOST EXPOSED TO DISRUPTIVE OUTSIDE INFLUENCES WHICH COULD BE EXPLOITED BY COMMUNIST POLITICAL POWER.

THE PROGRAM WAS BEGUN IN 1957, BUT SEEMS ALL THE MORE IMPORTANT NOW IN THE LIGHT OF NEIGHBOR IRAQ'S FLIRTATION WITH WORLD COMMUNISM.

PRINCIPAL CONTRACTOR IS A PRIVATE ORGANIZATION KNOWN AS MKO, A JOINT VENTURE GROUP. PARENT ORGANIZATION IS THE MORRISON-KNUDSEN CO. ASSOCIATED WITH IT ARE THE HENRY J. KAISER CO., THE OMAN CONSTRUCTION CO., THE R. P. FARNSWORTH CO. AND THE WRIGHT CONSTRUCTION CO.

MOST ACTUAL CONSTRUCTION IS BY IRANIAN SUBCONTRACTORS. THE WORK OF 20,000 IRANIANS IS SUPERVISED BY A STAFF OF ALMOST 400 MKO AMERICANS AND EUROPEANS. OVER-ALL BOSS IS OTTO E. LUDWIG, THE MORRISON-KNUDSEN RESIDENT PARTNER IN TEHRAN. HIS OTHER NOTABLE JOBS INCLUDED THE VAST RADAR NETWORK IN ARCTIC CANADA KNOWN AS DEWLINE, THE DISTANT EARLY WARNING SYSTEM.

A COMPLEX OF INSTALLATIONS IN THIS KEY NORTHWEST AREA WILL HOUSE THE IRANIAN 5TH DIVISION OF THE 3RD CORPS AREA. CORPS HEADQUARTERS IS AT MAHABAD, 35 AIR MILES TO THE EAST, CENTER OF THE 1946 SOVIET ATTEMPT TO DOMINATE KURDISTAN.

KHANEH IS ONE OF THREE CORNERS OF A TRIANGLE OF INSTALLATIONS ALMOST IN SIGHT OF THE IRAQ BORDER, ABOUT 200 MILES EAST OF IRAQ'S MOSUL OIL CENTER. THE OTHER CORNERS ARE AT USHNUYEH AND NAGADEH, ABOUT 10 AND 18 MILES RESPECTIVELY FROM KHANEH. TO THE SOUTH AND SOUTHEAST SIMILAR INSTALLATIONS ARE NEARING COMPLETION, ALSO ASTRIDE HISTORIC INVASION PASSES THROUGH THE BARREN ALVAND MOUNTAIN RANGE. ONE IS AT SANADAJ ON THE PASS LEADING FROM IRAQ'S KIRKUK, ANOTHER AT KERMANSHAH, ON THE ROUTE FROM BAGHDAD.

COMPLETION OF THE CHAIN MAY MEAN THE END OF ANY COMMUNIST OPPORTUNITY TO PROVOKE TROUBLE WITHOUT DIRECTLY INVOLVING MOSCOW.

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NEXT: A HUMAN CURTAIN

END ADVANCE FOR WEDNESDAY AMS JUNE 3--MOVED MAY 27

B35 (Q) SJ1253AED

--17--

BY STAN CARTER (380)

BAGHDAD, IRAQ, JUNE 2 (AP)-THE IRAQI GOVERNMENT TODAY GAVE THE AMERICAN STAFF OF THE SEVENTH DAY ADVENTISTS DJR ES SALAAM (HOUSE OF PEACE) HOSPITAL FIFTEEN DAYS TO GEZ OUT OF THE COINTRY.

THE HOSPITAL BEGAN TURQING AWAY PATIENTS, BUT SEVERAL IRAQI WOMZN SAT IN THA WAITING ROOMLREFUSINGBTOUXEGIZVE THAT THE AMERICAN DOCTOR WOULD NOT SEE THE CHILDREN THEY HELD IN THEIR ARMS.

THE HOSPITAL, BUILT IN 1954 LARGELY WITH AMERICAN CONTRIBUTIONS, IS BEING CONFISCATED BY THE MINISTRY OF HEALTH. BUT THE SEVENTH DAY ADVENTIST MEDICAL MISSIONAIRES HAVE NOT YET BEEN TOLD HOW MUCH COMPENSATION THE GOVERNMENT WILL OFFER.

THE ADVENTISTS FIGURED THE ORIGINAL COST OF THE HOSPITAL AND EQUIPMENT AT $582,000 BUT HEALTH MINISTER MOHAMMED SHAWAF TOLD THEM, "YOU'VE GOT TO EXPECT THAT A HOUSE WORTH 10,000 DINARS BEFORETHE REVOLUTION HAS REVERTED TO ITS TRUE VALUE AND IS AT PRESENT WORTH 5,000 DINARS." A DINAR IS WORTH ABOUT $2.80.

THE HEALTH MINISTRY ANNOUNCED ON MAY 8 IT WOULD REQUISITION DAR ES SALAAM AS PART OF A PLAN FOR NATIONALIZATION OF ALL INSTITUTIONAL MEDICINE.

30.24-7285

THE ANNOUNCEMENT CALLED THE MISSIONARY HOSPITAL A SOURCE OF DANGER, SUSPICION AND DISTRUST AND ALLEGED IT HAD BEEN USED BY AMERICANS TO SERVE THEIR CITIZENS. EIGHTY FIVE PER CENT OF THE PATIENTS ARE IRAQIS AND 15 PER CENT ARE FOREIGNERS.

THE ANNOUNCEMENT OF IMPENDING CONFISCATION FOLLOWED A CAMPAIGN AGAINST THE ADVENTISTS IN THE LEFTIST PRESS. ONE PAPER CHARGED THAT THE CHRISTIAN DENOMINATION WAS LINKED WITH THE ZIONISTS BECAUSE IT OBSERVES SATURDAY AS THE SABBATH.

SEVEN OF THE EIGHT AMERICAN DAR ES SALAAM STAFF MEMBERS WERE TOLD BY POLICE ON SUNDAY THEY MUST LEAVE THE COUNTRY IMMEDIATELY. THE EIGHT MEMBER OF THE STAFF, PASTOR REVEREND WAYNE OLSON, OF OBERLIN, KANSAS, AND ENTERPRISE, OREGON, WAS ALREADY PLANNING TO LEAVE NEXT WEEK FOR HIS VACATION AND REASSIGNMENT TO ANOTHER POST.

THOSE ORDERED DEPORTED ARE:

DR. WILLIAM WAGNER (WIFE FROM 116 VISTA STREET BAKERSFIELD, CALIF.), THE HOSPITAL'S MEDICAL DIRECTOR, OF MELROSE, MASS.

BUSINESS MANAGER R.G. UBBINK OF 44 MAPLE STREET BRATTLEBORO, VT. (WIFE LOUISE FROM 11 NORTH COLLEGE AVENUE, COLLEGE PLACE WASH.).

NURSE GLADYS HURD OF HOLLIS STREET LA PUENTE, CALIF.

DR. DOROTHY MAY TURNER OF 58-42 76TH ST., ELMHURST, N.Y.

LABORATORY TECHNICIAN THEOR WILLIAMS OF 1025 OAK AVENUE, PANAMA CITY, FLA.

NURSE RUTH MICKELSEN OF LOSTWOOD, N.D.

AND NURSE ELIZABETH CANADAY OF RTE. 3, CHEHALIS, WASH.

SHAWAF HAS SAID THE GOVERNMENT WILL SUPPLY ITS OWN DOCTORS AND OPERATE THE HOSPITAL AFTER THE TAKEOVER.

FIFTEEN BED PATIENTS ARE IN THE HOSPITAL NOW AND THEY ARE BEING DISCHARGED AS QUICKLY AS POSSIBLE. ONLY ONE BED PATIENT--A LITTLE IRAQUI GIRL--NEEDS PROLONGED HOSPITALIZATION.

SS639PED

A89 (300)

BY WILTON WYNN

CAIRO, JUNE 2 (AP)-SUDANESE ~~PRESIDENT~~ Premier Gen. IBRAHIM ABBOUD HAS ARRESTED BRIG.ABDEL REHIM SHENAN, WHOM THE COMMUNISTS REPORTEDLY HAD HOPES OF USING AS A FRONT MAN IN A COUP TO SEIZE POWER.

THE KHARTOUM GOVERNMENT ANNOUNCED TODAY THAT SHENAN AND ANOTHER HIGH RANKING MEMBER OF THE RULING MILITARY JUNTA, BRIG.MOHIEDDIN AHMED ABDALLAH, HAD BEEN PUT UNDER CLOSE ARREST ALONG WITH 16 OTHER OFFICERS.

CAIRO PAPERS SAID A MILITARY COURT WOULD TRY THEM ON TREASON CHARGES AS SOON AS AN INVESTIGATION IS COMPLETED.

DESPITE THE COMMUNISTS' REPORTED DESIRE TO USE SHENAN, THE ARRESTS WERE VIEWED IN CAIRO AS THE OUTCOME OF A POWER STRUGGLE AMONG AMBITIOUS ARMY OFFICERS AND NOT OF AN IDEOLOGICAL CONFLICT. BOTH GENERALS ARE PERSONALLY AMBITIOUS MEN WITH A REPUTATION AS TROUBLEMAKERS, AND WITH NO SPECIFIC POLITICAL TAGS.

SHENAN, MINISTER OF LOCAL GOVERNMENT, AND ABDALLAH, MINISTER OF COMMUNICATIONS, WERE LINKED WITH A BOGUS TELEGRAM WHICH BROUGHT UNITS OF THE EASTERN ARMY COMMAND MARCHING TO KHARTOUM LAST WEEK. THE GOVERNMENT STOPPED THEM OUTSIDE THE CITY AND SENT THEM BACK.

SUDANESE COMMUNISTS REPORTEDLY REGARDED SHENAN AS A POTENTIAL SUDANESE EQUIVALENT OF IRAQ'S PRIME MINISTER ABDEL KARIM KASSEM. THE REDS REPORTEDLY HAD BEEN TRYING TO LINE UP AN ANTI-EGYPTIAN FRONT WHICH WOULD BACK HIM IN A BID FOR POWER.

WHETHER THE BRITISH-TRAINED SHENAN, A CONSERVATIVE, ENCOURAGED SUCH MANEUVERS WAS NOT KNOWN BUT HE WAS REGARDED AS POLITICALLY

AMBITIOUS.
SHENAN AND ABDALLAH ELBOWED THEIR WAY INTO RULING MILITARY JUNTA HEADED BY GEN.ABBOUD BY MARCHING THEIR REGIMENTS INTO KHARTOUM AND SURROUNDING ARMY HEADQUARTERS. ABBOUD BOWED TO PRESSURE AND SHOOK UP THE JUNTA, GIVING CABINET POSTS TO BOTH BRIGADIERS.
SINCE THEN ABBOUD APPEARS TO HAVE CONSOLIDATED HIS POSITION AS TOP MAN IN THE JUNTA. AN ESTIMATED 40 COMMUNISTS WERE ARRESTED IN THE SUDAN LAST WEEK ON CHARGES OF CONSPIRING AGAINST THE REGIME.
WHETHER THERE IS ANY CONNECTION BETWEEN THE COMMUNIST ARRESTS AND YESTERDAY'S ROUNDUP COULD NOT BE DETERMINED HERE.
RP&B900AED

A148
(110)
CAIRO, JUNE 2 (AP)-MOUSSA ARAFA, EGYPTIAN PUBLIC WORKS MINISTER, SAID TODAY THAT WORK ON THE ASWAN HIGH DAM PROJECT WILL BEGIN BEFORE THE END OF THE YEAR, PROBABLY IN NOVEMBER.
THE MINISTER, WHO HAS JUST RETURNED FROM MOSCOW, TOLD A NEWS CONFERENCE THAT THE FINAL DESIGN OF THE PROJECT WILL BE DETERMINED THIS MONTH IN MEETINGS AMONG UNITED ARAB REPUBLIC TECHNICIANS, SOVIET EXPERTS AND A PANEL OF WESTERN ENGINEERS ACTING AS CONSULTANTS TO THE CAIRO GOVERNMENT.
SEVERAL RUSSIAN MODIFICATIONS IN THE ORIGINAL EGYPTIAN BLUEPRINTS WILL BE CONSIDERED.
THE COST OF THE PROJECT'S FIRST STAGE IS EXPECTED TO BE AROUND 37 MILLION EGYPTIAN POUNDS, OR 400 MILLION RUBLES, WHICH THE RUSSIANS ARE LOANING THE U.A.R.
MM1105PES

AP153
NC
PORT SAID, EGYPT, JUNE 2 (AP)-THE DANISH OWNERS OF A FREIGHTER DETAINED HERE WITH AN ISRAELI CARGO ABOARD HAVE REJECTED AN EGYPTIAN ORDER TO UNLOAD THE SHIPMENT FOR CONFISCATION, IT WAS RREPORTED TONIGHT.
OFFICIAL EGYPTIAN GOVERNMENT SOURCES SAID THE JENS TOFT SHIPPING AGENCY OF COPENHAGEN, OWNERS OF THE INGE TOFT, REFUSED TO OBEY THE ORDER AFTER CONTACTING THE SHIP'S CHARTERERS, AN UNNAMED NEW YORK COMPANY.
ISRAELI SHIPS AND CARGOES ARE BARRED FROM THE SUEZ CANAL BY EGYPT ON THE GROUNDS THAT ISRAEL AND EGYPT ARE STILL TECHNICALLY AT WAR.
GB1115PD

A47 (CQ)
MOSCOW, JUNE 2 (AP)-MARSHAL PENG TEH-HUAI, RED CHINA'S DEFENSE MINISTER, ARRIVED TODAY FROM ALBANIA WHERE HE MET LAST WEEK WITH SOVIET PREMIER NIKITA KHRUSHCHEV. HE WILL STAY IN MOSCOW A FEW DAYS, TASS SAID.
JS450PED

B100 (Q)
SEOUL, SOUTH KOREA, JUNE 2 (AP)-TWO U.S. MILITARY DEPENDENT FAMILIES, THE FIRST ALLOWED INTO SOUTH KOREA SINCE THE KOREAN WAR, ARRIVED IN SEOUL TODAY.
A TOTAL OF 100 SUCH FAMILIES HAVE RECEIVED PERMISSION TO JOIN THEIR MEN UNDER THE NEW POLICY.
THE FIRST ARRIVALS WERE THE FAMILIES OF COL. THOMAS B. HANFORD OF ARLINGTON, VA., KOREAN MILITARY ADVISORY GROUP (KMAG) SENIOR LEGISTICS ADVISOR, AND OF LT. COL. GORDON CLARK, OF ALBUQUERQUE, N.M., U.S. AIR FORCE.
THEY WILL TAKE UP RESIDENCE IN A NEW HOUSING AREA ON THE YONGSAN MILITARY RESERVATION.
KS119PED

A157
TOKYO, JUNE 2 (AP)-THE TOKYO DISTRICT PROSECUTOR'S OFFICE TOLD THE SUPREME COURT TODAY THAT THE STATIONING OF U.S. FORCES IN JAPAN IS NOT A VIOLATION OF JAPAN'S CONSTITUTION.
THE STATEMENT WAS MADE IN A BRIEF FILED WITH THE SUPREME COURT IN APPEALING A TOKYO DISTRICT COURT RULING THAT AMERICAN BASES AND TROOPS IN JAPAN ARE UNCONSTITUTIONAL UNDER THE CONSTITUTION'S PROVISIONS AGAINST WAR.
THE TOKYO DISTRICT COURT IN ITS VERDICT OF MARCH 30 FREED SEVEN JAPANESE ACCUSED OF BREAKING INTO THE BIG U.S. AIR FORCE BASE AT TACHIKAWA WEST OF TOKYO IN 1957 DURING A DEMONSTRATION.
THE PROSECUTOR'S BRIEF WAS REQUESTED BY THE SUPREME COURT APRIL 23.
P1256PED

A85WX
(350) NIGHT LEAD FOREIGN AID
BY EDMOND LE BRETON
WASHINGTON, JUNE 2 (AP)-HOUSE DRAFTERS OF A NEW FOREIGN AID PROGRAM TODAY FASHIONED A BIG STICK FOR THE STATE DEPARTMENT TO SWING AGAINST ANY WASTE AND CORRUPTION.
AND IN SEVERAL DIFFERENT WAYS THEY TOLD THE DEPARTMENT, ALONG WITH ITS SUBSIDIARY INTERNATIONAL COOPERATION ADMINISTRATION, THAT THEY WANT ECONOMIC AID EMPHASIZED AND MILITARY AID HELD TO COLD WAR ESSENTIALS.
THE HOUSE FOREIGN AFFAIRS COMMITTEE AGREED ON A FOREIGN AID BILL 266 MILLION DOLLARS UNDER PRESIDENT EISENHOWER'S REQUEST.
IT IS TO BE INTRODUCED TOMORROW AND, UNLESS PLANS GO AWRY, VOTED ON BY THE HOUSE TOWARD THE END OF NEXT WEEK.
THE MAJOR INNOVATION IN THE BILL IS A NEW POST OF INSPECTOR GENERAL AND COMPTROLLER TO BE PART OF THE STATE DEPARTMENT ITSELF--NOT OF THE SEMI-INDEPENDENT ICA WHICH DIRECTLY OPERATES THE AID PROGRAM.
THE INSPECTOR-GENERAL-COMPTROLLER, WITH HIS STAFF, WOULD HAVE MAIN RESPONSIBILITY FOR AUDITS AND FINANCIAL CONTROLS ON THE PROGRAM. HE WOULD REPORT TO AN UNDERSECRETARY OF STATE. HE WOULD HAVE AUTHORITY TO DEAL WITH THE DEFENSE DEPARTMENT ON MILITARY AID MATTERS.
CHAIRMAN THOMAS E. MORGAN (D-PA) SAID CREATION OF SUCH A POST WAS PART OF THE ANSWER TO ALLEGATIONS OF WASTE AND, IN A FEW INSTANCES, FISCAL IRREGULARITIES IN THE AID PROGRAM. A HOUSE SUBCOMMITTEE THIS SPRING HEARD TESTIMONY OF IMPROPRIETIES ON THE PART OF SOME ICA OFFICIALS IN LAOS.
AS DRAFTED BY THE COMMITTEE SUBJECT TO A FINAL VOTE TOMORROW, THE FOREIGN AID BILL FOR THE YEAR BEGINNING JULY 1 STICKS TO THE MONEY AGREEMENT REACHED LAST WEEK--A TOTAL OF $3,642,600,000 (B) PLUS ABOUT 21 MILLION DOLLARS OF FUNDS APPROPRIATED IN EARLIER YEARS.
THE SUM REFLECTS REDUCTIONS OF 160 MILLION DOLLARS IN DIRECT MILITARY FUNDS FROM THE LEVELS RECOMMENDED BY EISENHOWER, AND OF REDUCTIONS IN ECONOMIC GRANT PROGRAMS OF 302 MILLION; BUT AN INCREASE OF 100 MILLION OVER THE EISENHOWER RECOMMENDATION FOR THE DEVELOPMENT LOAN FUND. THIS BILL MERELY SETS CEILINGS AND TERMS FOR THE AID PROGRAM; THE ACTUAL MONEY WILL BE VOTED LATER.
IN A WHOLLY NEW PROPOSED SECTION OF THE LAW, DRAFTED BY REP. CHESTER BOWLES (D-CONN), STANDARDS ARE SET OUT FOR DETERMINING WHETHER TO EXTEND ARMS ASSISTANCE. THEY INCLUDE THE NEED "TO MEET THE DANGER OF DIRECT COMMUNIST ARMED AGGRESSION OR INFILTRATION . . . OR TO PERFORM AGREED MISSIONS WITHIN COLLECTIVE DEFENSE ARRANGEMENTS."
EG707PED

A82WX
(320) NIGHT LEAD DEFENSE APPROPRIATION
BY WILLIAM F. ARBOGAST
WASHINGTON, JUNE 2 (AP)-A WARNING OF THE POSSIBILITY OF A BIG ATOMIC WAR OPENED HOUSE DEBATE TODAY ON A $38,848,339,000 DEFENSE APPROPRIATION BILL.

IT CAME FROM REP. GEORGE H. MAHON (D-TEX), CHAIRMAN OF AN APPROPRIATIONS SUBCOMMITTEE WHICH FOR MONTHS HAS WORKED OVER THE FINANCIAL NEEDS OF THE ARMED SERVICES FOR THE FISCAL YEAR BEGINNING JULY 1.

"A COMPLETE DEFENSE AGAINST A POTENTIAL FOE IS PRACTICALLY UNATTAINABLE," HE SAID, QUOTING FROM THE SUBCOMMITTEE'S FORMAL FINDINGS.

MAHON SAID THE UNITED STATES LAGS BEHIND RUSSIA IN THE INTERCONTINENTAL MISSILE RACE, BUT EXPRESSED CONFIDENCE THAT THE GAP WOULD BE NARROWED.

"BUT THE GREATER LAG, AND PERHAPS THE MORE SIGNIFICANT LAG," HE ADDED, "COULD BE IN THE FIELD OF ANTISUBMARINE WARFARE." MAHON SAID ENEMY SUBMARINES WHICH COULD LIE OFF THE COASTS AND LOB MISSILES INTO BIG CITIES ARE THE GREATEST THREAT FACING THE NATION.

FOR THAT REASON, MAHON SAID, THE COMMITTEE ADDED 255 MILLION DOLLARS TO FUNDS REQUESTED FOR ANTISUBMARINE WARFARE AND BOOSTED ALLOTMENTS FOR DEVELOPING ANTIMISSILE MISSILES.

REP. GERALD R. FORD OF MICHIGAN, TOP REPUBLICAN ON MAHON'S COMMITTEE, ENDORSED THE COMMITTEE'S ACTION AS GOOD LEGISLATION. FORD PROMISED TO DEFEND IT AGAINST TOMORROW'S AMENDMENTS AIMED AT INCREASING THE STRENGTH OF THE ARMY AND THE MARINE CORPS AND FURTHER CUTTING FUNDS FOR THE AIR FORCE BOMARC MISSILE.

BUT ANOTHER REPUBLICAN COMMITTEEMAN, WILLIAM E. MINSHALL OF OHIO, BLASTED THE BOMARC MISSILE PROGRAM AS "THIS BILLION DOLLAR BOONDOGGLE" AND OFFERED AN AMENDMENT TO KNOCK OUT THE 200 MILLION DOLLARS GIVEN THE PROGRAM BY THE COMMITTEE.

THE RUSSIAN EMPHASIS, MINSHALL SAID, IS ON MISSILES "AGAINST WHICH THE BOMARC IS USELESS."

MAHON WARNED THE HOUSE AGAINST WISHFUL THINKING THAT AN ALL-OUT ATOMIC WAR WOULD NOT BREAK OUT. TO BASE MILITARY PLANNING ON THE PREMISE THAT LIMITED WAR IS THE GREATEST DANGER, HE SAID, IS A DOCTRINE "WHICH THE AMERICAN PEOPLE CANNOT AFFORD TO EMBRACE."

"ADEQUATE PREPARATION FOR TOTAL WAR IS THE BEST POSSIBLE DETERRENT TO LIMITED WAR," HE ADDED.

INDICATIONS WERE THAT THE HOUSE WOULD MAKE LITTLE CHANGE IN THE COMMITTEE'S RECOMMENDATIONS, WHICH PROVIDE $399,861,000 LESS THAN PRESIDENT EISENHOWER REQUESTED.

EG654PED

A102WX

DEFENSE-SECRET FUND (120)

WASHINGTON, JUNE 2 (AP)-SENATORS LEARNED WITH OBVIOUS PLEASURE TODAY THAT SECRETARY OF DEFENSE NEIL H. MCELROY EXPECTS TO RETURN MORE THAN 29 MILLION DOLLARS OF A SECRET FUND OF 30 MILLION WHICH CONGRESS VOTED HIM LAST YEAR.

RET. MAJ. GEN. ROBERT S. MOORE, DEFENSE BUDGET EXPERT, TOLD THIS TO A SENATE APPROPRIATIONS SUBCOMMITTEE TODAY AS HE CAUTIONED AGAINST PROPOSALS TO CUT THE EXTRAORDINARY EMERGENCY FUND FOR THE FISCAL YEAR THAT BEGINS JULY 1.

MOORE EXPLAINED THAT THE SECRET FUND CAN BE SPENT ON THE SECRETARY'S CERTIFICATION THAT IT IS "NECESSARY FOR CONFIDENTIAL MILITARY PURPOSES."

MOORE DECLINED TO GIVE IN PUBLIC ANY DETAIL ON WHAT ACTIONS THAT MIGHT TAKE IN, BUT OTHER SOURCES SAID ONE EXAMPLE WAS THE OVERNIGHT START OF THE AIRLIFT TO BERLIN WHEN COMMUNISTS SHUT OFF RAIL AND LAND ROUTES TO THAT CITY.

CZ834PED

A117WX

(170) WASHINGTON, JUNE 2 (AP)-THE HOUSE SPACE COMMITTEE RELEASED SECRET TESTIMONY TONIGHT INDICATIG THAT THE PENTAGON IS EXPERIMENTING WITH A DEATH RAY DEFENSE AGAINST INTERCONTINENTAL BALLISTIC MISSILES.

THE MATTER WAS BROUGHT UP LAST FEBRUARY DURING CLOSED DOOR TESTIMONY BY ROY JOHNSON, DIRECTOR OF THE ADVANCE RESEARCH PROJECTS AGENCY, WHICH COORDINATES MILITARY SPACE ACTIVITIES.

30.24-7287

ASKED ABOUT MISSILE DEFENSE, JOHNSON SAID:

"THE IDEAL WAY ... IS TO INVENT A DEATH RAY WHICH YOU JUST POINT AND EXPLODE THEM."

A COMMITTEE MEMBER ASKED "THIS RAY DEFENSE...IS THAT JUST BUCK ROGERS OR IS IT REAL?"

"AT THE MOMENT," JOHNSON REPLIED, "IT IS PRETTY MUCH BUCK ROGERS. ...WE ARE SPONSORING AND FINANCING SOME WORK IN SEVERAL AREAS SOME OF IT THEORETICALLY IS LOOKING MORE HOPEFUL AS THE DAYS GO BY. BUT IT IS THIS KIND OF BREAKTHROUGH THAT IS GOING TO SOLVE THIS KIND OF PROBLEM.

"I THINK IN THE TIME SPAN BETWEEN NOW AND 1966 WE COULD HOPEFULLY EXPECT SUCH A BREAKTHROUGH. I AM NOT SAYING A RAY, BUT A BREAKTHROUGH FOR A DEFENSE AGAINST MISSILES. I DON'T KNOW WHAT IT WOULD BE."

NEITHER JOHNSON NOR THE COMMITTEE PURSUED THE MATTER FURTHER.

CZ933PED

A165WX

--95--

OLYMPICS

WASHINGTON, JUNE 2 (AP)-THE U.S. GOVERNMENT TODAY DENOUNCED AS "A CLEAR ACT OF POLITICAL DISCRIMINATION" THE DECISION OF THE INTERNATIONAL OLYMPIC COMMITTEE TO EXPEL NATIONALIST CHINA.

THE ACTION BY THE OLYMPIC COMMITTEE MAY 28 PAVED THE WAY FOR ADMISSION OF ATHLETES FROM THE COMMUNIST MAINLAND TO REPRESENT CHINA IN FUTURE OLYMPIC GAMES.

A STATE DEPARTMENT STATEMENT DECLARED:

"IT IS EVIDENT THAT COMMUNIST PRESSURES HAVE BEEN DIRECTED TO OBTAINING THE EXPULSION OF THE CHINESE NATIONALISTS... THIS IS A POLITICAL AND DISCRIMINATORY ATTITUDE WHICH HAS NO PLACE IN THE WORLD OF SPORTS."

THE STATEMENT EXPRESSED HOPE THAT PUBLIC AND SPORTS ORGANIZATIONS, BOTH AT HOME AND ABROAD, WILL INSIST ON RESTORING NATIONALIST CHINESE ATHLETES TO THE OLYMPIC GAMES. IT CALLED ALSO FOR RESTORATION OF THE OLYMPIC MOVEMENT TO WHAT IT PORTRAYED AS ITS FORMERLY NON-POLITICAL CHARACTER.

THE OLYMPIC TOURNEY, HELD EVERY FOUR YEARS, IS SCHEDULED TO GO ON IN ROME IN 1960. THE WINTER OLYMPICS ARE SLATED TO BE HELD IN SQUAW VALLEY, CALIF.

BU118PED

A123WX

ATOMIC ENERGY (270)

WASHINGTON, JUNE 2 (AP)-THE SENATE-HOUSE ATOMIC ENERGY COMMITTEE TODAY UNANIMOUSLY APPROVED A 230-MILLION-DOLLAR SPENDING AUTHORIZATION FOR THE ATOMIC ENERGY COMMISSION FOR THE YEAR STARTING JULY 1.

THE TOTAL IS ABOUT 51 MILLION DOLLARS MORE THAN PRESIDENT EISENHOWER REQUESTED. HOWEVER, SEN. CLINTON P. ANDERSON (D-NM), CHAIRMAN OF THE COMMITTEE, TOLD NEWSMEN HE BELIEVED IT WOULD BE ACCEPTABLE TO THE ADMINISTRATION. ANDERSON HAS DISCUSSED THE PROGRAM MANY TIMES WITH AEC CHAIRMAN JOHN A. MCCONE.

THE MEASURE IS CONSIDERABLY LESS THAN THE APPROXIMATELY 400 MILLION DOLLAR AUTHORIZATION VOTED BY CONGRESS FOR THE CURRENT YEAR, WHICH ENDS JUNE 30.

ANDERSON SAID THE REPUBLICANS ON THE COMMITTEE APPEARED SATISFIED WITH THE BILL DESPITE THE INCREASE OVER THE ADMINISTRATION'S FIGURES.

HOWEVER, SEN. ALBERT GORE (D-TENN), LONG AN ADVOCATE OF A BIG ATOMIC POWER PROGRAM, SAID HE APPROVED THE BILL WITHOUT ENTHUSIASM.

"IT IS A MILKTOAST MEASURE," GORE SAID. "BUT IT IS PERHAPS THE BEST WE CAN DO AT THIS TIME. THIS ADMINISTRATION IS AVERSE TO A VIGOROUS DEVELOPMENT PROGRAM FOR ATOMIC POWER."

ANDERSON SAID HE DID NOT AGREE WITH THIS, NOTING THAT THE COMMITTEE ADDED SEVERAL PROJECTS TO THE BILL. THESE PROJECTS, IF CARRIED OUT, WILL PROVIDE IMPORTANT PROGRESS IN THE ATOMIC REACTOR FIELD, HE SAID.

THE FOLLOWING ATOMIC POWER REACTOR PROJECTS WERE ADDED TO THE MEASURE BY THE COMMITTEE:

AN $11,750,000 NUCLEAR SUPERHEAT REACTOR, TO BE BUILT WHEREVER THE AEC DECIDES. A SIMILAR PROJECT PREVIOUSLY HAD BEEN DISCUSSED FOR PUERTO RICO, BUT NEVER GOT BEYOND THE TALK STAGE.

AN EIGHT MILLION DOLLAR PROTOTYPE REACTOR, TO BE BUILT BY A PRIVATE UTILITY.

A 15 MILLION DOLLAR PROTOTYPE REACTOR, TO BE BUILT BY A PUBLIC POWER GROUP.

THE BILL CARRIES NUMEROUS AUTHORIZATIONS REQUESTED BY AEC FOR ITS ANNUAL OPERATIONS IN THE WEAPONS FIELD AND AT ITS VARIOUS PLANTS OVER THE COUNTRY.

AUTHORIZATIONS FOR PROJECTS OTHER THAN ELECTRIC POWER REACTORS WHICH THE COMMITTEE ADDED WERE:

$18,500,000 FOR A NATIONAL CIRCULATION TEST PLANT AT THE NATIONAL REACTOR TEST STATION, IDAHO. ANDERSON SAID THIS WOULD BE USED TO DEVELOP A NEW SMALL SUBMARINE REACTOR.

$2,000,000 FOR A PHYSICS BUILDING AT THE LAWRENCE RADIATION LABORATORY, CALIFORNIA.

$2,400,000 FOR A RANDEM VAN DE GRAAFF ACCELERATOR, OAK RIDGE, TENN.

THE COMMITTEE ALSO PUT INTO THE MEASURE FIVE MILLION DOLLARS FOR ALTERATION OF THE REACTOR IN THE SHIPPINGPORT, PA., POWER PLANT, THE NATION'S LARGEST ATOMIC POWER PLANT. THIS IS CONTINGENT ON PROVISION OF ADDITIONAL GENERATING FACILITIES BY DUQUESNE LIGHT & POWER CO.

A COMMITTEE AIDE SAID THE NEW CONSTRUCTION WOULD INCREASE THE OUTPUT OF THE PLANT FROM 60,000 TO MORE THAN 100,000 KILOWATTS.

THE COMMITTEE INCREASED TO THREE MILLION DOLLARS THE TWO MILLION ASKED BY THE AEC FOR BIOMEDICAL RESEARCH PROJECTS ON NUCLEAR FALL-OUT.

IT ALSO DIRECTED THE COMMISSION TO PROCEED WITH DESIGN AND ENGINEERING STUDIES ON A NUCLEAR TANKER REACTOR, AND A REACTOR FOR REMOTE MILITARY INSTALLATIONS.

EG1105PED NM

A141WX

WASHINGTON, JUNE 2 (AP)-THE ATOMIC ENERGY COMMISSION ANNOUNCED TODAY IT WILL PARTICIPATE IN A CONFERENCE ON PEACEFUL USES OF THE ATOM AT WARSAW, POLAND, SEPT. 5-11.

THE OAK RIDGE INSTITUTE OF NUCLEAR STUDIES WILL SUPERVISE UNITED STATES PARTICIPATION IN THE CONFERENCE SPONSORED BY THE INTERNATIONAL ATOMIC ENERGY AGENCY.

THE AEC SAID THE WARSAW MEETING WILL BE THE FIRST OF ITS KIND AND EMPHASIZE RADIATION APPLICATIONS TO INDUSTRIAL CHEMICAL PROCESSES.

WE1151AED

A3WX

PENSIONS

WASHINGTON JUNE 2 (AP)-THE HOUSE VETERANS AFFAIRS COMMITTEE VOTED TODAY TO GIVE A $100 A MONTH PENSION TO ALL HOLDERS OF THE NATION'S HIGHEST AWARD FOR WARTIME HEROISM--THE MEDAL OF HONOR.

SIMILAR LEGISLATION WAS PASSED LAST YEAR BY THE HOUSE BUT DIED IN THE SENATE.

AT PRESENT MEDAL OF HONOR WINNERS RECEIVE $10 A MONTH BUT ONLY IF THEY ARE OVER YT.

COMMITTEE AIDES SAID THE LATEST COUNT SHOWED 365 LIVING MEDAL OF HONOR WINNERS.

WE212PED

A103WX

DISCHARGES (150)

WASHINGTON, JUNE 2 (AP)-THE HOUSE VOTED WITHOUT OPPOSITION TODAY TO HELP LIFT SOME OF THE ONUS FROM VETERANS WHO WERE REFUSED HONORABLE DISCHARGES BY THE ARMED SERVICES.

IT PASSED A BILL TO AUTHORIZE MILITARY REVIEW BOARDS TO GRANT CERTIFICATES OF EXEMPLARY REHABILITATION TO VETERANS WHO CAN PROVE THEIR CONDUCT HAS BEEN GOOD SINCE RETURNING TO CIVILIAN LIFE.

SPONSORS OF THE MEASURE, WHICH NOW GOES TO THE SENATE, EMPHASIZED THAT IT WOULD NOT ALTER THE TERMS OF THE DISCHARGE ITSELF OR ENTITLE ANY PERSON GRANTED THE REHABILITATION CERTIFICATE TO RECEIVE VETERANS BENEFITS.

REP. THOMAS J. LANE (D-MASS) PREDICTED THE BILL, IF IT BECOMES LAW, WOULD RELIEVE SUCH VETERANS OF "THE UNFAIR DISCRIMINATION THAT CURRENTLY OPERATE AGAINST THEM WHEN THEY SEEK EMPLOYMENT."

"THIS IS A HUMANE BILL," HE SAID, "THAT WILL RESTORE HOPE AND CONFIDENCE TO MANY EMBITTERED VETERANS WHO HAVE ALREADY PAID TIME AND TIME AGAIN FOR MINOR MISTAKES THAT THEY MADE WHILE IN MILITARY SERVICE YEARS AGO."

C7837PED

A131WX

DRAFT

WASHINGTON, JUNE 2 (AP)-THE ARMY ASKED TODAY FOR 7,000 DRAFTEES IN AUGUST. THIS IS 1,000 LESS THAN THE JULY QUOTA REQUESTED OF SELECTIVE SERVICE.

IT WILL BRING THE TOTAL OF DRAFTEES SINCE KOREA TO 2,456,430 (M).

JC1117AED

A135KX

NIGHT LEAD (110)

LOS ANGELES, JUNE 2 (AP)-SEN. STUART SYMINGTON (D-MO) SAID TODAY HE FAVORS A SUMMIT CONFERENCE "PROVIDED WE GO INTO IT REALISTICALLY, REALIZING THAT KHRUSHCHEV WILL TRY TO USE ANY CONFERENCE AS A MEANS TO PROPAGANDIZE THE WORLD."

SYMINGTON, REGARDED AS A POTENTIAL DEMOCRATIC PRESIDENTIAL NOMINEE, TOLD A CIVIC ORGANIZATION, TOWN HALL, IN A LUNCHEON ADDRESS:

"IF RECENT HISTORY IS A GUIDE, THIS CALCULATING MAN WILL ALSO ATTEMPT TO MAXIMIZE HIS BARGAINING POSITION--POSSIBLY WITH SOME DRAMATIC NEW VENTURE, SUCH AS PUTTING A MAN IN SPACE.

"WE SHOULD BE READY FOR THIS KIND OF PSYCHOLOGICAL EFFORT. IT SHOULD STRENGTHEN OUR RESOLVE TO PRESENT AMERICAN ASPIRATIONS IN THE BEST POSSIBLE LIGHT."

AMERICA CAN WIN THE ECONOMIC COMPETITION WITH COMMUNISM, THE SENATOR SAID.

FJ830PCS

B88PG1

(180)

PITTSBURGH, JUNE 2 (AP)-A SURE WAY TO STOP THE GROWTH OF COMMUNISM IN ASIA IS TO ESTABLISH FREER AND MORE WIDESPREAD COMMUNICATION BETWEEN ASIA AND AMERICA, A NEWSPAPER EDITOR FROM CEYLON SAID TODAY.

RAMAPILLAI NAMSIVAYAM SIVAPIRAKASAM OF JAFFNA SAID BE BELIEVES COMMUNISM COULD BE EFFECTIVELY STOPPED IF AMERICAN POLITICAL AND DEMOCRATIC IDEAS COULD BE MORE WIDELY PRESENTED TO THE COMMON PEOPLE OF ASIA.

"IT IS NATURAL FOR AMERICA, WITH ITS GREAT DEMOCRATIC HERITAGE, TO BE THE LEADER IN THE WORLD FIGHT AGAINST COMMUNISM." SAID SIVAPIRAKASAM. "BUT IT REQUIRES MORE THAN JUST DISLOMACY."

HE ADDED THAT THE AMERICAN PEOPLE "MUST GET OUT AMONT THE ASIAN PEOPLE AND MAKE FRIENDS WITH THEM." HE SAID IT WAS NOT ENOUGHT TO DEAL JUST WITH THE LEADERS IN ASIA.

SIVAPIRAKASAM ALSO ADVOCATED SENDING MORE AMERICAN NEWSPAPER MEN TO

CEYLON AND THE REST OF ASIA TO GIVE AMERICANS A FIRST HAND ACCOUNT OF EVENTS AND PROBLEMS OVERSEAS.

THE CEYLON EDITOR WAS IN PITTSBURGH AS PART OF AN 80-DAY TOUR OF THE UNITED STATES UNDER THE INTERNATIONAL EDUCATIONAL EXCHANGE SERVICE OF THE U.S. STATE DEPT.

1019PED NM

B14NR (LODGE)
(200)
FIRST LEAD RED CROSS

ATLANTIC CITY,N.J., JUNE 2 (AP)-U.S. AMBASSADOR HENRY CABOT LODGE CHIDED THE SOVIET UNION TODAY FOR FAILING TO TELL THE RUSSIAN PEOPLE ABOUT U. S. AID GIVEN AN INJURED SOVIET SEAMAN.

IN A SPEECH PREPARED FOR DELIVERY AT THE INTERNATIONAL LUNCHEON OF THE AMERICAN NATIONAL RED CROSS, THE U.S. REPRESENTATIVE TO THE UNITED NATIONS RECALLED THE RECENT MERCY MISSION OF THE U. S. COAST GUARD CUTTER STORIS TO AN INJMMJURED SEAMAN ABOARD A SOVIET FISHING VESSEL IN THE BERING SEA.

THE SEAMAN WAS FLOWN TO THE U. S.AIR FORCE HOSPITAL AT ANCHORAGE, ALASKA, AND CARED FOR THERE UNTIL HE WAS WELL ENOUGH TO GO HOME.

"NOW YOU WOULD THINK THAT KNOWLEDGE OF THIS UNUSUAL AND HEART WARMING INCIDENT BY THE SOVIET PUBLIC WOULD BE A GOOD THING FOR THE SOVIET--- U.S. FRIENDSHIP WHICH THE SOVIET LEADERS SAY THEY WANT TO ESTABLISH," LODGE SAID.

"AND YET, AS FAR AS I CAN FIND OUT, NOT ONE WORD ABOUT IT HAS APPEARED IN THE CONTROLLED SOVIET PRESS. APPARENTLY IT HAS BEEN IGNORED AS COMPLETELY AS WAS OUR 11 BILLION DOLLARS FOR LEND-LEASE AID TO THE SOVIET UNION DURING WORLD WAR 11."

LODGE NOTED A $24,000 CONTRIBUTION FROM THE SOVIET UNION TO THE INTERNATIONAL RED CROSS FOR FLOOD RELIEF ROR THE NEW ENGLAND STATES IN AUGUST AND SEPTEMBER 1955. HE SAID "FOR SUCH GOOD DEEDS, HOWEVER, SMALL AND WHATEVER THE PURPOSE BEHIND THEM, THE SOVIETS ARE ENTITLED TO DUE CREDIT AND THANKS."

YESTERDAY, E.ROLAND HARRIMAN, CHAIRMAN OF THE AMERICAN RED CROSS, SAID THE EXPLOSIVE POPULATION GROWTH OF THE UNITED STATES IS AN UNTAPPED SOURCE OF VOLUNTEERS AND FUNDS FOR THE ORGANIZATION.

JB309PED

A177

NEW YORK, JUNE 2 (AP)-LUDWIG ERHARD, WEST GERMANY'S VICE CHANCELLOR, SAID TODAY HE BELIEVES A SUMMIT CONFERENCE OF THE BIG FOUR POWERS WILL BE HELD BECAUSE RUSSIAN PREMIER NIKITA KHRUSHCHEV WANTS IT, AND THAT THE FATE OF BERLIN PROBABLY WILL BE SETTLED.

"THERE ARE GOOD GROUNDS FOR HOPE OF A SOLUTION IN THE CASE OF BERLIN WHICH WILL TAKE CARE OF THE POSITION AND NEEDS OF THE CITY," SAID ERHARD.

HE ARRIVED HERE BY PLANE TODAY FOR A WEEK'S VISIT. HE IS TO RECEIVE HONORARY DEGREES FROM WABASH COLLEGE, CRAWFORDSVILLE, IND., AND GEORGETOWN UNIVERSITY, WASHINGTON, D.C.

SS157PED

B16WX SEG

ADVANCE FOR 330PM EST TODAY

(220) DILLON

(ADVANCE)NEW YORK, JUNE 2 (AP)-AMERICAN PRIVATE CAPITAL HAS BEEN FLOWING LARGELY TO CANADA, LATIN AMERICA AND EUROPE AND NEGLECTING OTHER AREAS, THE STATE DEPARTMENT'S ACTING HEAD SAID TODAY.

UNDER SECRETARY OF STATE C. DOUGLAS DILLON SAID "IF WE SHOULD FAIL THE NEWLY EMERGING NATIONS, THE COMMUNIST LEADERS ARE READY, WILLING AND ABLE TO SHOW THEM A SUPPOSEDLY EASY PATH UNDER TOTALITARIANISM." HE REFERRED PARTICULARLY TO COUNTRIES IN ASIA, AFRICA AND THE MIDDLE EAST.

30.24-7289

DILLON'S REMARKS WERE IN A SPEECH ~~PREPARED~~ FOR COMMENCEMENT EXERCISES OF COLUMBIA UNIVERSITY'S GRADUATE SCHOOL OF BUSINESS. IN THE ABSENCE OF SECRETARY OF STATE CHRISTIAN A. HERTER, WHO IS IN GENEVA, DILLON IS ACTING HEAD OF THE DEPARTMENT.

HE SAID THE ADMINISTRATION IS TRYING TO ENCOURAGE AMERICAN PRIVATE INVESTORS TO TAKE MORE INTEREST IN UNDERDEVELOPED COUNTRIES. ONE PROPOSAL, HE SAID, IS TO REVISE TAX LAWS TO PROVIDE SPECIAL INCENTIVES FOR SUCH INVESTMENT.

DILLON SAID UNDERDEVELOPED COUNTRIES ARE PART OF THE FREE WORLD, AND ADDED:

"THEY MUST NEVER COME TO FEEL THAT THEIR CHOICE LIES BETWEEN BREAD AND FREEDOM. WHETHER THEY MEET THE CHALLENGE OF GROWTH IN FREEDOM OR WHETHER THEY TAKE THE COMMUNIST ROAD. . . DEPENDS IN NO SMALL PART ON WHAT WE DO AS A GOVERNMENT AND AS PRIVATE CITIZENS."

IF SUCH COUNTRIES TURN TO COMMUNISM, HE SAID, "IT WOULD BE A HUMAN TRAGEDY BEYOND COMPARE FOR THEIR PEOPLES. . . AND ALSO MEAN SHEER DISASTER FOR US."

GG401AED

END - JUNE 2, 1959